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ASEAN GROUP DENOUNCES SRV KAMPUCHEA POLICY AT UN

OW301228 Beijing XINHUA in English 0844 GMT 30 Oct 84

[Text] United Nations, October 29 (XINHUA) -- Members of the Association of Southeast Asian Nations (ASEAN) today denounced Vietnam for its continued occupation of Kampuchea and criticized its proposal for a "dialogue" with the ASEAN countries. Speaking at the U.N. General Assembly which began its debate on the situation in Kampuchea, Abdul Kadir bin Haji Sheikh Fadzir, deputy foreign minister for foreign affairs of Malaysia, charged that Vietnam was obscuring and confusing the issues. He pointed out four "glaring, plain and simple" facts:

Kampuchea today is completely controlled by the invading Vietnamese forces -- numbering nearly 200,000 -- which sustain a puppet regime they installed in December 1978;

A most disturbing development is the Vietnamese attempt to "Vietnamize" Kampuchea. After six years of occupation, the "Vietnamization" process appears now well under way. Kampuchea today is progressively being transformed into a permanent vassal state of Vietnam not only through control of the Kampuchean leadership and economic integration with Vietnam, but also through massive transfer of Vietnamese settlers which, according to the Coalition Government of Democratic Kampuchea, already number 640,000;

The so-called "partial withdrawal" announced by Vietnam is simply "rotation of troops";

Vietnam's "well-publicized hints about a secret dialogue" between the ASEAN and Indo-China countries are nothing but deception.

With regard to the "dialogue", Fadzir stated, "The important question is: dialogue about what? Dialogue for the sake of dialogue is not only useless but is actually harmful because it is deceptive and gives rise to hopes which are cruel and illusory. A solution - and hence a dialogue - is only possible when it is based on real facts and real issues which, I repeat, are the invasion and continued military occupation of Kampuchea by Vietnamese troops and the denial of the freedom and right of self-determination of the Kampuchean people." In this connection, Mr Fadzir continued, "one of the most encouraging developments in recent years is the increasing effectiveness and recognition of the Coalition Government of Democratic Kampuchea" under the leader-ship of Samdech Norodom Sihanouk. He added the coalition government "functions effectively in the liberated areas inside Kampuchea. Its forces have become increasingly effective in battle. The Coalition Government of Democratic Kampuchea embodies the political will of the Kampuchean people to free their country from foreign occupation and exploitation and to restore them to their right to choose their own government and their own way of life."

"In looking at the Kampuchean problem", he stressed, "it should be clear to all that it is not a problem between the ASEAN countries and Vietnam as such; it is a problem between Vietnam and Kampuchea, whose legitimate representatives are the coalition government."

Thai permanent representative to the U.N. Phiraphong Kasemsi accused Vietnam of "brandishing the prospects of negotiations toward a settlement, but then in practice putting obstacles and conditions in the path of its realization". The Thai representative denounced Vietnam for the incursion of its troops into Thailand earlier this year in several instances and in many localities.

Luis Moreno-Salcedo of the Philippines called for the total withdrawal of foreign troops from Kampuchen and the exercise by all Kampucheans of their right to self-determination.

Haji Omar Haji Serudin of Brunei noted that the military occupation of Kampuchea by Vietnam was a gross violation of the Charter, the right of the Kampuchean people to determine their own destiny, the principle of non-interference, and a complete disregard for U.N. General Assembly resolutions.

"Vietnam must understand that it must withdraw before all countries involved can sit down and negotiate," he stressed. He also emphasized the importance of continued international support in the search for a comprehensive political settlement in Kampuchea, and hoped more countries would put pressure on Vietnam.

BEIJING HOLDS INTERNATIONAL PRINTING EXHIBITION

OW301549 Beijing XINHUA in English 1445 GMT 30 Oct 84

[Text] Beijing, October 30 (XINHUA) -- Chinese character photo-typesetters, electronic color analyzers, and modern office printing and binding equipment are on display at an international printing technology exhibition which opened here today.

The nine-day show is jointly sponsored by the China Council for the Promotion of International Trade (CCPIT) and the State Economic Commission.

Participating in the exhibition are 76 companies from Austria, Czechoslovakia, Democratic Germany, Federal Germany, Italy, Japan, Switzerland, the United Kingdom, the United States and Hong Kong. Chinese manufacturers of printing equipment, paper, printing ink and sensitive materials are also taking part.

Technical symposiums on 52 subjects will be held during the show. More than 1,200 Chinese technicians are expected to attend.

State Councillor Zhang Jingfu cut the ribbon at the opening ceremony. CCPIT Chairman Wang Yaoting told the opening ceremony that this first international printing technology exhibition ever held in China would provide a good opportunity for Chinese and foreign manufacturers to talk and learn from each other.

Also present were Minister in Charge of the State Economic Commission Lu Dong, officials from the related ministries and over 1,000 representatives of the printing and publishing trades.

PRC WELCOMES U.S. DISMISSAL OF RAILWAY BONDS CASE

OW310940 Beijing XINHUA in English 0928 GMT 31 Oct 84

[Text] Beijing, October 31 (XINHUA) -- A Foreign Ministry spokesman said here this afternoon that China welcomed the positive act of a district court in the United States to have dismissed a bond case.

He said: "The Foreign Ministry of the People's Republic of China has learnt that the U.S. District Court of Northern District of Alabama dismissed on October 26 the complaint against the People's Republic of China concerning the Huguang Railways bearer bonds. This ruling of the court is conducive to the removal of a hidden source of trouble in the bilateral relations between China and the United States. We welcome this positive act."

He also said: "At the same time, we would like to reiterate that the consistent position of the Chinese Government is that according to international law, the People's Republic of China as a sovereign state enjoys sovereign immunity from the jurisdiction of any foreign court. Huguang Railways bearer bonds were an external debt incurred by the reactionary government in old China to maintain its reactionary rule and suppress the revolutionary struggle of the Chinese people in collusion with imperialism. Under the universally acknowledge principle of international law that 'odious debt is not repayable', the Government of the People's Republic of China repudiates any obligation to repay such debts."

RENMIN RIBAO REPORTS ON CIA PAMPHLET AFFAIR

HK301202 Beijing RENMIN RIBAO in Chinese 30 Oct 84 p 7

["Newsletter From America" by reporter Zhang Yunwen: "What Does the Pamphlet Case Show?"

[Text] U.S. policy toward Central America has recently become a popular subject in the press. The activities carried out by the CIA in Nicaragua have once again become the focus of all principal newspapers and the number one item in newscasts of all principal television networks. Therefore, at the beginning of the debate between Reagan and Mondale on 21 October on diplomatic policies, they engaged in a confrontation on the Central America issue.

The case was occasioned by a pamphlet. This 44-page pamphlet entitled: "Psychological Warfare in Guerrilla Warfare" was compiled by the CIA for the antigovernment armed forces in Nicaragua. The pamphlet teaches the antigovernment troops how to "selectively and in a planned way assassinate" officials of the Nicaraguan Government, how to kidnap others, how to blackmail ordinary citizens, how to destroy public buildings, and how to hire professional killers and criminals to carry out various terrorist activities. AP recently obtained a copy of the pamphlet and made it public.

After the disclosure of the case there was a public outcry. This is because all three recent U.S. Presidents issued orders to prohibit the CIA from carrying out political assassinations. Particularly after U.S. officials time and again have opposed terrorism, people would naturally be shocked over such activities carried out in Nicaragua by the CIA, which is under the leadership of the U.S. Government. Congress has called for investigation into the case. Mondale, the Democratic presidential candidate and former vice president; former President Carter; and O'Neill, speaker of the House of Representatives, all criticized the CIA for carrying out activities in violation of U.S. Laws and demanded that Casey be removed as director of the CIA.

This event of course is detrimental to Reagan's reelection as President. Reagan said that he knew nothing about the case and reiterated the government's opposition to political assassinations. He also ordered an investigation into the case and said he would remove those officials held responsible for the case.

People are puzzled over the authorship of the several thousand widely circulated copies of the pamphlet. According to THE NEW YORK TIMES, government officials have different comments everyday about the people who compiled the pamphlet. The White House first said "no comment" and then stated that the pamphlet was compiled by "low-level contract employees." On 23 October, an official who declined to be identified said the material was approved by CIA Headquarters and was checked by middle— and low-level personnel of the "secret activity section" of the CIA, some of whom do not know Spanish. An investigation report issued by the CIA itself disclosed that at least 12 officials were involved in such activities.

The truth of the matter is being investigated. Congress and the press are asking the question: Who should be responsible for the activities carried out by the CIA in Nicaragua? The President knew nothing, the director and Congress also knew nothing. Then are the CIA's activities beyond control? THE WALL STREET JOURNAL pointed out in a commentary that the case was repetition of a story 10 years ago. "If the Congress and the President did not approve the war and terrorist activities aided by the United States, then the CIA must be beyond control. The resultant question is: Should the secret national security organization or the state be responsible?" Of course, this question can be answered only after the investigation. At any rate, the fact that the CIA dared to unscrupulously carry out such activities in Nicaragua has something to do with the U.S. Government's tough policy of interfering in and controlling Central America.

U.S. FIRM JOINS IN CHINA'S COMPUTER TRAINING

OW301114 Beijing XINHUA Domestic Service in Chinese 0056 GMT 28 Oct 84

[Text] Beijing, 28 Oct (XINHUA) -- The Computer Bureau of the Ministry of Electronics Industry and the INTEL Corporation of the United States, a world famous computer production firm, have reached agreement to jointly set up a training center in China. The purpose of the center is to train microcomputer engineers and teachers who will conduct microcomputer courses. Teaching will be assumed by the INTEL Corporation and specialists from related fields in China. It will train senior technicians in computer software and hardware and in their application. The center will also run training classes in popular courses. The center is scheduled to open its classes in November and plans to train between 500 and 700 persons a year.

PRC OFFICIALS AT CHINA ART EXHIBIT IN NEW YORK

OW301208 Beijing XINHUA in English 0841 GMT 30 Oct 84

[Text] New York, October 29 (XINHUA) -- A private oil painting exhibition of Chinese painter Chen Yifei opened in the famous Art Gallery of Hammer in New York this evening. Most of the nearly 40 oil paintings on display today depict the beautiful scenery of Suchou City of the Jiangsu Province. All paintings were well received and applauded by hundreds of visitors attending the ceremony. This is the second private exhibition of Chen in New York and his first one sponsored by the Hammer Art Gallery was held in October last year. Present at today's opening ceremony were President of the National Committee on U.S.-China Relations Arthur Rosen and Chinese permanent deputy representatives to the United Nations Liang Yufan and Xie Qimei. Chinese Counsul General Cao Guisheng and other Chinese officials also attended the occasion.

XINJIANG'S WANG ENMAO CONCLUDES VISIT TO U.S.

OW310225 Beijing XINHUA Domestic Service in Chinese 0827 GMT 28 Oct 84

[By reporter Wu Shijia]

[Text] Washington, 27 Oct (XINHUA) — Wang Enmao, first secretary of the Xinjiang Uygur Autonomous Regional CPC Committee and NPC deputy of China, told reporters here on 26 October, the eve of the conclusion of his visit in the United States, that the advanced technologies and managerial skills he saw while visiting America's west were worthy for reference use.

Wang Enmao said: "The U.S. west was once dry and barren land. However, efforts made in the past few decades to develop water conservation, use advanced science and technology in production and management, and develop scientific research and education have not only brought about speedy development of the region's agriculture and animal husbandry but also spurred development in other sectors of the economy."

Wang Enmao said: "More and more American entrepreneurs have understood and accepted our country's policy of opening to the outside world. During our visit, many American entrepreneurs met and held talks with us. They expressed their earnest wish to make joint investment with us in the construction of the Xinjiang area. All this deserve our welcome."

Wang Enmao praised the patriotic enthusiasm of Chinese students studying in the U.S. who earnestly volunteered their participation in building the frontier region of the motherland. He said: "I have met quite a few of the students studying in America during my visit. They told me that they hoped to go to Xinjiang to take part in construction there after returning to the country. Some have even come to see me at the places I have stayed for the special purpose of expressing their earnest wish to build the motherland's frontier region."

The Xinjiang science and technology study group to the United States, led by Wang Enmao, arrived in America on 6 October at the invitation of the National Committee for U.S.-China Relations. While in the United States, the group had wide-ranging contacts with American personages from various circles, Overseas Chinese and Chinese-Americans, and was accorded a warm welcome and receptions. Paul Wolfowitz, assistant U.S. secretary of state, met with the group on 25 October.

PRC ENVOY THANKS U.S. FRIENDS OF PANDAS

OW301328 Beijing XINHUA in English 0803 CMT 30 Oct 84

[Text] Washington, October 29 (XINHUA) -- A lecture entitled "Saving Pandas and Other Wildlife in China" was given by Russel Train, president of the World Widelife Fund tonight in the National Museum of Natural History. Russel Train praised the progress of the "Save the Pandas Campaign" and the encouraging steps taken by the Chinese Government and people to preserve other wildlife treasures.

"From the top leadership down to the grassroots level, the Chinese have set a wonderful example in wildlife conservation for the whole world," he noted. Train said that pandas in China are surviving far better than people had expected and the rest of the world can learn much from China's experience.

The World Wildlife Fund, established in 1961, and China have a long-time cooperation.

They agreed in December of 1980 to develop a long-term plan to ensure the survival of the giant pandas in China. In 1981, the fund sent scientist George Schaller to China to work on "Project Panda," a joint project between World Wildlife Fund and the Chinese Ministry of Forestry.

The World Wildlife Fund contributed nearly 2 million dollars for the establishment of a wildlife research center within the Wolong Natural Reserve, China's Sichuan Province.

Tonight's lecture, organized by Audubon Naturalist Society and co-sponsored with Smithsonian Resident Associate Program and Friends of the National Zoo, is one of ten lectures on the subject of protecting wildlife in China and other countries. On October 26th, the three groups held a reception at the Chinese Embassy as part of fund raising activities for saving giant pandas in China. More than 150 members of these groups attended the reception. China's Ambassador to the U.S. Zhang Wenjin was invited to the reception and made a speech before a China-made film "The Pandas" was shown. In his speech, Zhang thanked the foreign friends for their efforts in saving and protecting pandas and other wildlife in China.

PART 6 OF WANG BINGNAN ARTICLE ON SINO-U.S. TALKS

HK301313 Guangzhou GUANGZHOU RIBAO in Chinese 18 Oct 84 p 3

[Article by Wang Bingnan: "The 9-Year Sino-U.S. Talks in Retrospect -- Part 6"]

[Text] During the course of the conference, Premier Zhou often held banquets in honor of the delegations of various countries at the residence of the Chinese delegation. Apart from Molotov, Eden, later the Earl of Avon of the United Kingdon, was also invited, who asked the premier to autograph the menu for the occasion as a precious souvenir. In the early eighties when the Earl's widow visited China, she brought the menu specially with her. Among other guests were Mendes-France of France, Ronning of Canada, and the world-famous comedian and movie star Charlie Chaplin and his wife. At the banquet in honor of Charlie Chaplin, we had a very cordial conversation; Chaplin even performed for us his unique gait, which evoked continuous laughter. Chaplin highly praised Chinese cuisine, in particular mao-tai. He said: I like this kind of strong liquor; it is the very liquor for a real man. When he left the premier sent him a bottle of mao-tai. The two chefs I had chosen for the delegation were also praised by the premier, who said to them: You have made due contributions to the Geneva Conference.

Premier Zhou was very busy with his work. He made use of every opportunity he could, not sparing any minute he could seize. Except for meetings he would spend all of his time on reading materials, listening to reports, finding out about and studying the most updated trends in the world, and considering and dealing with the problems emerging during the conference. Early in the morning we could find him either writing, reading, or in deep meditation at his desk. Often the light in his room would shine from dusk until dawn. Geneva is famous for its beautiful scenery, and has a reputation as the "world's garden."

All other delegations would seize the opportunity to tour the mountains and lake. When we saw that the premier had been overstrained in his work, we advised him to take a stroll in the open air, but he would always say cordially to us: We had better do more work; besides, we have to take into consideration our external influences. Our delegation has been entrusted by Chairman Mao and the party Central Committee. We have come here for the first time to strive for world peace and to carry out an international struggle with the people of the whole country pinning their hopes on us. We are not here to enjoy ourselves, so we should not do that. The Swiss newspapers wrote commentaries and reports to praise the Chinese delegation in particular for this. They said: The Chinese premier is unique; he is never found having fun outside his residence. He is really devoting his whole heart and mind to the conference.

Here I should like to mention that we were on friendly terms with India at that time. Although India did not participate in the Geneva Conference, Prime Minister Nehru's special envoy, Menon, was in Geneva, and he often came to call on Premier Zhou for talks. Once he relayed Nehru's invitation and his hope for Premier Zhou to visit India on his way back home via the southern route when the conference was adjourned. The delegation held different views on whether to accept this invitation or not; finally, Chairman Mao telegraphed his instructions, and it was his view that the opportunity should not be passed up, and asked Premier Zhou to make the trip and do some work concerning India. So on 24 June, Premier Zhou visited India at their invitation; later he also visited Burma. He was trying to win them over in support of our stand concerning the Indochina issue, and succeeded in overcoming the U.S. scheme to press the United Kingdom to make concessions in Southeast Asia in an attempt to sabotage peace in Indochina. It was precisely during this visit that Premier Zhou and Prime Minister Nehru made the joint announcement of the historic, famous Five Principles of Peaceful Coexistence.

During the absence of Premier Zhou, Zhang Wentian returned to Moscow (he was concurrently ambassador to the Soviet Union at that time) and Wang Jiaxiang also returned to China, so the delegation was headed by Vice Foreign Minister Li Kenong to carry on the work of the Geneva Conference.

It has been 3 decades since the Geneva Conference. However, the premier's excellent diplomatic art, his brilliant spritual features, and his magnanimous style keep reappearing before my eyes to this day. And it was precisely through this conference that the whole world came to know such an outstanding diplomat, politician, and an excellent communist fighter as Zhou Enlai. It was also at the Geneva Conference that Premier Zhou's outstanding activities and very efficient work made New China conspicuously appear on the international political arena with its explicit and independent diplomatic style and characteristics. Many people came to understand through that conference that China stands on the side of the oppressed nations and is a big power which resolutely opposes the Western hegemonist powers with patience and reason.

The Geneva Conference also proved that any international disputes can be solved through serious and ample negotiations between various countries. This has also been China's persistent view in diplomatic struggles, and it was our view that even with the United States, which was extremely antagonistic at that time, there were many problems we could negotiate and talk over. The Sino-U.S. talks at the ambassadorial level can also be said to have derived from such a guiding idea. (to be continued)

USSR'S ILICHEV LEAVES JINAN FOR BEIJING

SK310713 Jinan Shandong Provincial Service in Mandarin 2300 GMT 30 Oct 84

[Text] Accompanied by Qian Qichen, special envoy of the Chinese Government and vice foreign minister, the 15-member group, including L.F. Ilichev, special envoy of the Soviet Government and deputy foreign minister, who came to Beijing to attend the fifth round of Sino-Soviet consultations, and Ilya Shcherbakov, Soviet ambassador to China. left Jinan for Beijing by train on the evening of 30 October, after winding up its visit in our province.

The group arrived in our province on 28 October and successively visited such scenic spots and historical sites as the Confucian Residence, the Confucian Temple, the Confucian Tomb, Tai Shan, (Linyuan) Temple, Baotuquan and Daming Hu in Qufu, Taian, and Jinan.

On the evening of 30 October, Deputy Governor Li Zhen met with and hosted a reception for them at Nanjiao Guesthouse.

MOSCOW, HANOI AGREE TO 'SYNCHRONIZE' POLICIES

OW300812 Beijing XINHUA in English 0647 GMT 30 Oct 84

[Text] Moscow, October 29 (XINHUA) -- Soviet Foreign Minister Andrey Gromyko discussed here today with visiting Vietnamese Foreign Minister Nguyen Co Thach pressing international issues and bilateral relations including tension in Southeast Asia.

Moscow and Hanoi agreed to continue to "synchronize" their political policies in order to achieve the best effects in bilateral relations and cooperation on the international arena, the Soviet news agency TASS said.

Preserving tension in Southeast Asia "would be fraught with serious consequences" both for the countries in that region and beyond, Gromyko said at a following luncheon.

Gromyko also said that normalization of relations with the People's Republic of China by the Soviet Union and Vietnam on the principles of peaceful coexistence and not at the expense of other countries' interest would help consolidate peace in Asia and international security.

In his speech at the luncheon, Thach repeated Hanoi's proposal to withdraw troops from Kampuchea "annually and gradually" and noted that an all-round cooperation with Moscow was the foundation stone of Hanoi's foreign policy.

The Vietnamese foreign minister also said that Hanoi had made "continued efforts to improve relations with China and the ASEAN countries" and that it was "up to China and the ASEAN countries" to decide how to respond. Thach arrived here October 28.

DPRK SETS DATE FOR RED CROSS TALKS WITH SOUTH

OW301430 Beijing XINHUA in English 1949 CMT 30 Oct 84

[Text] Pyongynag, October 30 (XINHUA) -- The Democratic People's Republic of Korea (DPRK) has asked South Korea to meet in Panmunjom on November 20 to discuss the reopening of regular Red Cross negotiations, according to the KOREAN CENTRAL NEWS AGENCY. Contact between the two Red Cross Societies has been suspended since 1973. The proposal was put forward by the DPRK Red Cross Society Chairman Son Song-pil in a letter to his South Korean counterpart Yu Chang-sun yesterday.

The letter stated that the resumption of regular Red Cross talks is urgent and realistic. Regular Red Cross contacts could relieve the anguish of Koreans who are separated in the Northern and Southern parts of the Korean peninsula. The contacts could also promote the long-cherished wish of the Korean nation -- the reunification of the fatherland the letter also said.

South Korea has already tentatively expressed its willingness to resumption of Red Cross talks which the DPRK proposed earlier this month.

YANG SHANGKUN MEETS DPRK ARMY DELEGATION

OW301534 Beijing XINHUA in English 1511 GMT 30 Oct 84

[Text] Beijing, October 30 (XINHUA) -- Yang Shangkun, vice-chairman of the Central Military Commission, met a delegation from the Korean Peoples Army led by Lieutenant-General Kim Kwang-chin here this afternoon.

Yang Shangkun briefed the Korean guests on the building of the Chinese People's Liberation Army (PLA). Kim Kwang-chin shared his delegation's impressions of their visits in south and east China in the last two weeks. Both Yang and Kim hoped the two Armies would expand friendly exchanges and learn from each other.

Sin In-ha, ambassador of the Democratic People's Republic of Korea to China, gave a banquet to mark the delegation's China visit this evening. Gan Weihan, deputy director of the General Political Department of the PLA, was present. The delegation is scheduled to leave here for home tomorrow.

WANG ZHEN MEETS JAPANESE FRIENDSHIP GROUP

OW301538 Beijing XINHUA in English 1441 GMT 30 Oct 84

[Text] Beijing, October 30 (XINHUA) -- Wang Zhen, honorary president of the China-Japan Friendship Association, mot here this afternoon with a delegation from the Japan-China Friendship Council of Shizuoka Prefecture, Japan, led by Koichi Inoue, president of the council. Shizuoka Prefecture and China's Zhejiang Province have established sisterly relations. Before Koichi Inoue and his party arrived here they had visited Hangzhou, Ningpo and Wenzhou and discussed a program for exchanges between Shizuoka and Zhejiang next year with leading officials of the province.

BURMESE PRESIDENT CONTINUES VISIT, MEETS DENG

Deng on One Country, Two Systems

OW310929 Beijing XINHUA in English 0905 GMT 31 Oct 84

["Deng Xiaoping Praises Principles of Peaceful Coexistence" -- XINHUA headline"]

[Text] Beijing, October 31 (XINHUA) -- China and Burma had set an example by conducting their relations in real accordance with the Five Principles of Peaceful Coexistence, Chinese leader Deng Xiaoping told Burmese President U San Yu here today. He said that the Five Principles were the best means for handling relations between nations, and had the strongest vitality. Deng is chairman of the Central Advisory Commission of the Chinese Communist Party.

Other forms, such as the "big family," "group politics" and "spheres of influence," would bring about contradictions and increase international tension, he added. "By extension, peaceful coexistence is perhaps also a good means of settling a country's internal questions. We have put forward the 'one country, two systems' concept, and this, too, is a form of peaceful coexistence. We will allow Taiwan and Hong Kong to retain their capitalist systems while the one billion people on the mainland unswervingly practise socialism," Deng said.

U San Yu said China and Burma not only initiated the Five Principles of Peaceful Coexistence, but were also real followers of guidelines which had been recognized and accepted by an increasing number of countries.

Deng Xiacping said: "Relations between China and Burma have always been good. Burma was the first country to have solved boundary problems with China. The frequent exchanges of visits between leaders of our two countries are an indication of development of the two countries' friendly relations. In the future, cooperation in various areas between our two countries should be expanded."

U San Yu told Deng that Chairman U Ne Win had accepted with pleasure an invitation to visit China. Chinese State Councillor and Foreign Minister Wu Xueqian and principal members of the Burmese president's entourage attended the meeting.

Deng Yingchao Meets San Yu

OW301422 Beijing XINHUA in English 1304 GMT 30 Oct 84

[Text] Beijing, October 30 (XINHUA) -- Deng Yingchao, chairperson of the National Committee of the Chinese People's Political Consultative Conference, said here today that friendship was very important for the Chinese and Burmese people who trusted each other. In a meeting here this afternoon with Burmese President U San Yu, Deng said that China and Burma maintained peace and stability along their common border.

President Say Yu told Deng, who is the widow of the late Chinese Premier Zhou Enlai, that the late Premier Zhou and other leaders of the two countries emphasized the Five Principles of Peaceful Coexistence in handling their relations. He recalled that the two countries successfully solved their boundary issue through mutual understanding and accommodation 20 years ago. "We will never forget the benefits that these principles have brought us," he said.

He told Deng that he and Chinese President Li Xiannian and Premier Zhao Ziyang had reached complete accord on furthering Burma-China friendship during their talks. He also shared common views with the Chinese premier on domestic and international issues during their discussions. President San Yu conveyed greetings from Chairman U Ne Win to Deng Yingchao, who also asked him to give her best regards to the chairman.

San Yu, Party at Cultural Event

OW301526 Beijing XINHUA in English 1504 GMT 30 Oct 84

[Text] Beijing, October 30 (XINHUA) -- Burmese President U San Yu, Mrs. San Yu and their visiting party attended a performance of Chinese acrobatics, music, and dances here tonight. Ye Fei, vice-chairman of the National People's Congress Standing Committee, and Yang Bo, minister of light industry, accompanied the Burmese visitors at the performance which was arranged by the Chinese Ministry of Culture.

XINHUA REPORTER CHRONICLES SINO-BURMESE TIES

OW300325 Beijing XINHUA Domestic Service in Chinese 1710 GMT 27 Oct 84

["Newsletter by XINHUA reporter Bi Zhongqun: The Long-Standing Sino-Burmese Friendship" -- XINHUA headline]

[Excerpts] "A distant source and a long stream" would be an apt phrase to describe the Sino-Burmese friendly relationship. I have gotten this fresh impression after my recent visit to Moulmein, a coastal city in southern Burma.

After the birth of New China, the friendly relationship between the Chinese and Burmese people has further developed on the basis of a long and traditional friendship. China and Burma established formal diplomatic relations in 1950. Premier Zhou Enlai visited Burma in July 1954 and together with the Burmese leaders, initiated the Five Principles of Peaceful Coexistence. In September 1960 and January 1961, China and Burma each dispatched a large delegation of 300-400 people to visit each other. On the basis of mutual understanding and accommodation, China and Burma satisfactorily settled border problems. Over the past 30 years and more, the two countries have been a strengthened and continued development in economic, trade, and cultural exchanges.

In the course of development of friendly relations between China and Burma, the exchange of visits by the Chinese and Burmese leaders laid a solid foundation for the friendly relationship between the two countries. The late Chinese President Liu Shaoqi, Honorary President Soong Ching Ling, Premier Zhou Enlai, Vice Premier He Long, Vice Premier Chen Yi and Vice Premier Luo Ruiqing visited Burma and did much to promote Sino-Burmese friendship. Premier Zhou Enlai visited Burmanine times during his lifetime and several times celebrated the Water-Sprinkling Festival together with the Burmese people. Premier Zhou's footprints covered nearly all of Burma. In the past several years, Chairman Deng Xiaoping, Premier Zhao Ziyang, Chairman Deng Yingchao, and other leaders successively visited Burma and made great efforts in the continued strengthening and development of the friendship between the two countries.

The Burmese leaders have also made great efforts in building the masion of Sino-Burmese friendship.

From 1955 to the present, Chairman Ne Win endured the hardships of long journeys and visited China II times and has been to many places in China, making outstanding contributions to promoting Sino-Burmese friendship. During a visit to Burma in 1961, Premier Zhou praised him in a banquet speech: "General Ne Win has proven himself to be the main architect of the mansion of Sino-Burmese friendship."

Burma's President U San Yu is going to visit China. These days, the superb touch of that old painting master in Moulmein and the rushing water of that river have from time to time evoked one's associations with Sino-Burmese friendship. The visit of President U San Yu will elevate this traditional friendship to a new height. The Sino-Burmese friendship will, like the Salween River and the Nu Jiang, surge ahead and traverse long and unceasingly.

HONG KONG'S PAST, FUTURE; AGREEMENT WITH BRITAIN

HK310713 Beijing BAN YUE TAN in Chinese No 19, 10 Oct 84 pp 5-10

[Article by BAN YUE TAN political editorial office: "Questions and Answers on the Hong Kong Issue"]

[Text] On 26 September, the Chinese and British Governments initialed a joint declaration on the question of Hong Kong after 2 years of talks. This is a matter of vital importance for the realization of the reunification of our motherland. To help our readers understand the origins and development of the Hong Kong question, we will give an account, in question and answer form, of the history of the Hong Kong question, the present situation, our government's territory's stand, and its guiding principle and policy for solving the Hong Kong question.

Question: What is the general situation of Hong Kong?

Answer: What we call Hong Kong nowadays includes three parts: Hong Kong Island, Kowloon (also called Kowloon subdistrict) and the "New Territories." This region is the territory of our country from long ago, and is now under British rule. It is located to the east of the mouth of the Zhu Jiang. Its area is 1,066 square km, and it has a population of 5.36 million. About 98 percent of its population are our compatriots. It is a free port, and has occupied an important position in financial trading in Southeast Asia and even the world. It is also an important gate in the southern part of our country.

Question: What are the economic characteristics of Hong Kong?

Answer: It is the third biggest container port in the world, second only to New York and Rotterdam. It is also the third biggest financial market, second only to New York and London. More than 150 international banks have set up branches in Hong Kong. Hong Kong is also a transit center for fore than 30 international airlines. It is an important trade distribution center in the Asia-Pacific region. At present, Hong Kong ranks first in the export of garments, and is one of the main producers of wristwatches, radios, toys, plastic flowers, and other items.

Question: In those years, how did Britain invade and occupy Hong Kong Island?

Answer: In June 1840, Britain launched the Opium War against China. In January of the next year, it occupied Hong Kong Island by force.

Thereafter, Britain continued to expand its war of aggression, and British troops marched directly to the city gates of Nanjing. The corrupt and incompetent Qing Dynasty capitulated to the British and begged for peace. On 29 August 1842, the Qing Dynasty signed the "Treaty of Nanjing" with Britain — the first unequal treaty in modern China. Under the treaty, Hong Kong Island was ceded to Britain.

Question: In those years, how did Britain invade and occupy Kowloon?

Answer: After the first Opium War, Britain cooperated with France to launch the second Opium War in 1856 to capture Guangzhou. After that, they continued to move northward to the Beijing and Tianjin area. On 24 October 1860, Britain once again forced the Qing government to sign the "Convention of Peking," ceding to it the Chinese territory south of Boundary Street on Kowloon Peninsula.

Question: When did Britain coercively rent the "New Territories"?

Answer: In 1894, the Qing government was defeated in the Sino-Japanese War of 1894-95. Seizing this opportunity, various big powers stepped up their efforts to carve up China. On 9 June 1898, Britain again forced the Qing government to sign the "Convention for the Extension of Hong Kong," by which China was forced to lease to the British the area south of the Shenzhen He and north of Boundary Street on Kowloon Peninsula, as well as the adjacent islands (now called the "New Territories"), which is 10 times as big as Hong Kong Island and Kowloon, which had been ceded to the British, for a period of 99 years. The expiration date of the lease will be 30 June 1997.

Question: What is the consistent stand of our government on the question of Hong Kong?

Answer: Since the founding of New China, the consistent stand of our government has been: Hong Kong is part of China's territory. We are not bound by the unequal treaties signed by the British Government and the Qing Dynasty of China. When conditions are ripe, we will resume the exercise of sovereignty over the entire Hong Kong region. In the past, when Chairman Mao and Premier Zhou talked about the question of Hong Kong with people from the British side and other foreign guests, they repeatedly stated the abovementioned position. In March 1972, in his letter to the UN Special Committee on Decolonization, Chinese representative to the United Nations Huang Hua also expressed the same idea.

In recent years, when Chinese leaders Deng Xiaoping and Zhao Ziyang met British personages from both the ruling and opposition parties and people of all walks of life from Hong Kong, and when they held talks with British Prime Minister Mrs Thatcher in September 1982, they stated again our country's consistent stand on the question of Hong Kong, and further expounded the basic guiding principle of the Chinese Government on solving the question of Hong Kong.

Question: How did China and Britain hold talks on the question of Hong Kong?

Answer: In September 1982, British Prime Minister Mrs Thatcher visited China and held talks with the Chinese leaders on the question of Hong Kong. Deng Xiaoping, Zhao Ziyang, and others explicitly stated that the Chinese Government would recover the entire Hong Kong region in 1997.

In March 1983, China and Britain started consultations and reached an agreement on the procedure for the talks. On 12 July 1983, the Chinese and British Governments officially started their talks on the question of Hong Kong. Due to the fact that the two sides adopted an attitude of mutual understanding and mutual accommodation, an agreement was eventually reached after 2 years of talks. On 26 September 1984, China and Britain initialed a joint declaration on the question of Hong Kong, so that this question left over from history has been properly solved.

Question: When will China resume the exercise of sovereignty over Hong Kong?

Answer: On 1 July 1997.

Question: What are the Chinese Government's basic guiding principle and policy for Hong Kong?

Answer: The Chinese Government's basic guiding principle and policy are summed up in 12 points in the joint declaration issued by China and Britain, which include the following: After China resumes the exercise of sovereignty over Hong Kong, a Hong Kong special administrative region will be established, which will be directly under the authority of the Central People's Government. The special administrative region will enjoy a high degree of autonomy, except in foreign and defense affairs, which are the responsibility of the central government. The Hong Kong special administrative region will have vested in it executive, legislative and independent judicial power, including that of final adjudication. The laws currently in force in Hong Kong wil remain basically unchanged. The government of the special administrative region will be composed of local inhabitants. The chief executive will be appointed by the Central People's Government on the basis of the results of elections or consultations to be held locally. The current social and economic systems will remain unchanged, and so will the lifestyle. The special administrative region will retain the status of a free port and a separate customs territory, and the status of an international financial center. It will have independent finances. It may establish mutually beneficial economic relations with the United Kingdom and other countries. Using the name of "Hong Kong, China," it may, on its own, maintain and develop economic and cultural relations and conclude relevant agreements with states, regions, and relevant international organizations. The maintenance of public order in the region will be the responsibility of the government of the special administrative region. The above-stated guiding principle and policy will be stipulated in a basic law of the Hong Kong special administrative region of the PRC, enacted by the NPC. They will remain unchanged for 50 years.

Question: What will be the relations between the special administrative region and the Central People's Government?

Answer: The relations between the special administrative region and the Central People's Government will be those between a local government and the central government. Within the framework of the "basic law," the special administrative region can deal by itself with various kinds of general affairs, and will enjoy a high degrees of autonomy. Apart from displaying the national flag and national emblem of the PRC, the special administrative region may use a regional flag and emblem of its own. However, a high degree of autonomy does not mean independence. The Hong Kong special administrative region will be a region under the Central People's Government, rather than an independent political entity.

Question: What is the principle of "one country, two systems"?

Answer: The principle of "one country, two systems" means that a country follows two systems. Mainland China implements a socialist system. After it resumes sovereignty over Hong Kong, Hong Kong's previous capitalist system will remain unchanged for 50 years.

Question: Why should we follow the principle of "one country, two systems?"

Answer: The concept of "one country, two systems" has been carefully developed after fully considering the history and present conditions of Hong Kong. It is beneficial to winning over the majority of Hong Kong compatriots, reassuring the public, and maintaining the economic prosperity and social stability of Hong Kong. Allowing Hong Kong to retain its capitalist system unchanged for a considerable period, so that it will coexist with the socialist system implemented in most areas of the motherland, will not hamper the socialist nature of our country.

Question: What are the so-called "three no changes?"

Answer: After China resumes sovereignty over Hong Kong, the current social and economic systems in Hong Kong will remain unchanged for 50 years, and so will the life style. In other words, in the Hong Kong special administrative region, the capitalist social and economic systems and the life style of people in the capitalist society will remain unchanged. The socialist social and economic systems, as well as the life style of the mainland, will not be pursued in Hong Kong.

Question: How does the Constitution of the PRC stipulate the establishment of special administrative regions?

Answer: Article 31 of the Constitution stipulates: The state may establish special administrative regions when necessary. The systems to be instituted in special administrative regions shall be prescribed by laws enacted by the NPC in light of specific conditions.

Question: What do the legislative and independent judicial power of the special administrative region refer to ?

Answer: Legislative power means that the legislature in Hong Kong may, on its own authority, enact, enforce, amend, or abrogate the law in accordance with the PRC's basic law and legal procedures. Independent judicial power means that the judicial departments in Hong Kong may have the power of independently enforcing law, and that the courts in the special administrative region will exercise judicial power independently and free from any interference.

Question: What is the "power of final judgment?"

Answer: The power of final judgment means the power of finally judging cases. At present, the power of final judgment for Hong Kong is vested in the Privy Council of the United Kingdom. After China resumes sovereignty over Hong Kong, Britain, of course, can no longer exercise the power of final judgment. Due to the fact that the legal system and court organizations on the mainland are different from those in Hong Kong, in future the power of final judgment for the Hong Kong special administrative region will be vested in the court of final appeal in the Hong Kong special administrative region.

Question: How will the government of the special administrative region be formed?

Answer: The government of the Hong Kong special administrative region will be composed of local inhabitants. The chief executive will be appointed by the Central People's Government on the basis of the results of elections or consultations to be held locally. Principal officials will be nominated by the chief executive of the Hong Kong special administrative region for appointment by the Central People's Government. Chinese and foreign nationals previously working in the public and police services may remain in employment.

Question: How will the economic status of Hong Kong be retained?

Answer: After China resumes sovereignty over Hong Kong, the existing capitalist economic and trading systems of Hong Kong will be retained. The Hong Kong special administrative region government will decide its economic, trade, monetary, and financial policies. Hong Kong will issue its own customs decrees and decisions on levying import and export taxes and will determine tax amounts, without being influenced by the mainland. Therefore, it will be a separate customs territory. As the third biggest financial center in the world, second only to London and New York, Hong Kong will retain the existing monetary and financial policies. Hong Kong will continue to open its door to foreign financial enterprises, and their free conducting of financial business, and the free flow of their capital within, into, and out of Hong Kong will be safeguarded. Markets in foreign exchange, gold, securities, and futures will continue. The Hong Kong dollar, as the local legal tender, will continue to circulate and to remain freely convertible. The authority to issue Hong Kong currency will be vested in the Hong Kong special administrative region government.

Question: What is meant by saying that the Hong Kong special administrative region will have independent finances?

Answer: Hong Kong will retain its independent finances, and the Central People's Government will not levy taxes on the Hong Kong special administrative region. Hong Kong shall use its financial revenues for its own purposes and they shall not be handed over to the Central People's Government. This will be beneficial to maintaining and developing Hong Kong's economic status.

Question: What is a so-called free port?

Answer: A free port is also called a free-trade port. A free port area will not levy import and export taxes on commodities, or will only levy taxes on a very small number of commodities. Generally speaking, it is permitted to repack, process, load and unload, and buy and sell, as well as store commodities for long periods in a free port area. There are two kinds of free ports: In the first, the port and the city in which the port is located are regarded in their entirety as a free port. This is the case with Hong Kong. In the second, only part of the city in which the port is located is regarded as a free port, such as the output of Hamburg in the FRG.

Question: Will the free port status of Hong Kong be retained?

Answer: Hong Kong is one of the famous free ports in the world. After China resumes sovereignty over Hong Kong, Hong Kong will continue to retain its free port status and to implement its free-trade policy, including the free movement of goods and capital. The Hong Kong special administrative region may, on its own, maintain and develop economic and trade relations with all states and regions.

Question: After becoming a special administrative region, how will Hong Kong maintain its relations with foreign countries?

Answer: After Hong Kong becomes a special administrative region, diplomatic power will be vested in the central authorities. However, using the name of Hong Kong, China," Hong Kong may, on its own, maintain and develop economic and cultural relations and conclude relevant agreements with states, regions, and relevant international organizations. Foreign consular and other official or semiofficial missions may be established in the Hong Kong special administrative region with the approval of the Central People's Government. The special administrative region may, using the name of "Hong Kong, China," participate in international organizations and conferences not limited to states.

Question: How will China and Britain ensure a smooth transfer of the government of Hong Kong?

Answer: During the transitional period between the date of the entry into force of the joint declaration and 30 June 1997, the British Government will be responsible for the administration of Hong Kong with the object of maintaining and preserving its economic prosperity and social stability, and the Chinese Government will give its cooperation in this connection. China and Britain will also set up a joint liaison group as a liaison organization to ensure effective implementation of the joint declaration and a smooth transfer of government.

Question: What is the great significance of solving the question of Hong Kong?

Answer: Recovering Hong Kong, to wipe out the historical disgrace of the Opium Wars for the Chinese people is a common aspiration of the people throughout our country. It is also a great step toward the reunification of our motherland. Therefore, it is a matter of historical significance worth congratulations. The concept of "one country, two sustems" will play an important and enlightening role in the return of Taiwan to the motherland and in realizing the reunification of our country. The settlement of the question of Hong Kong has removed a historical obstacle to Sino-British relations, and is beneficial to the further development of these relations. In the meantime, it has provided various countries in the world with new experiences for solving problems left over from history.

HONG KONG SYMPOSIUM ON PRC OPEN CITIES PLANNED

OW300758 Beijing XINHUA in English 0631 GMT 30 Oct 84

[Text] Hong Kong, October 30 (XINHUA) -- Nearly 1,000 Hong Kong, Macao and foreign businesses have signed up for an investment symposium on China's 14 open coastal cities, special economic zones and Hainan Island to be held here from November 6 to 9. "Preparations have almost been completed for the meeting, and the number of applicants is still increasing," said a spokesman for the symposium organizers. A 150-member Chinese delegation will be led by Wei Yuming, vice-minister of foreign economic relations and trade. The deputy head of the delegation will be He Chunlin, director of the State Council Office for Special Economic Zones.

Fourceen coastal cities -- Dalian, Qinhuangdao, Tianjin, Yantai, Qingdao, Lianyungang, Nantong, Shanghai, Ningbo, Wenzhou, Fuzhou, Guangzhou, Zhanjiang and Beihai -- were authorized earlier this year to open wider to the world. Hainan Island -- China's second largest -- now has similar status in its international economic and trade relations as the 14 cities. Also attending the symposium will be representatives from the four special economic zones in Shenzhen, Zhuhai, Shantou and Xiamen. The meeting will be sponsored by the China Banks Group, China Resources (Holdings) Co., Ltd., China Merchants Steam Navigation Company, Ltd., Everbright Industrial Corporation, and Economic Information Agency of Hong Kong.

ACCEPTING MORE INDOCHINESE REFUGEES 'DIFFICULT'

OW301416 Beijing XINHUA in English 1259 GMT 30 Oct 84

[Text] Beijing, October 30 (XINHUA) -- Assistant Foreign Minister Qi Huaiyuan said today that China will continue to take good care of the Indochinese refugees who have resettled in this country. But, he added, it is very difficult for China to accept more refugees in view of its present financial capability.

Qi made these remarks at a meeting with officials from the United Nations High Commissioner for Refugees (UNHCR) and foreign correspondents who have come to inspect indochinese refugee camps in China. As a developing country, China still has a lot of economic difficulties, Qi said. In spite of this, he said, China has already expended a great deal of its financial, human and material resources in resettling more than 270,000 Indochinese refugees over the last few years.

Qi thanked the UNHCR for its cooperation and assistance in resettling the refugees in China. China hopes to receive further support from the UNHCR in the future, he added. He also answered the correspondents' questions about the international situation.

Present were UNHCR official Alexander Casella and C.J. Carpenter, charge de mission of the UNHCR in Beijing. Casella, Carpenter and the correspondents from seven countries in Asia, Europe and America had visited three refugee camps in Guangdong Province and the Guangxi Zhuang Autonomous Region between October 25 and 29.

XIAMEN, PHILIPPINE CITY SIGN SISTER CITY PACT

OW310241 Beijing XINHUA Domestic Service in Chinese 1518 CMT 27 Oct 84

[Text] Manila, 27 Oct (XINHUA) -- Xiamen City of Fujian Province of China and Cebu, second largest city in the Philippines, signed an agreement in Cebu yesterday to become friendship cities.

Mayor Zou Erjun of Xiamen City and Mayor (Ronald Duetet) of Cebu signed the agreement on behalf of their respective cities. The agreement says that to enhance the relations between the Philippine and Chinese peoples, particularly between the two cities, Xiamen and Cebu have decided to establish ties of friendship between them. Both sides agree to promote exchanges and cooperation between the two cities in the economic, trade, technology, cultural, and aviation fields.

The Xiamen City delegation, headed by Zou Erjun, arrived in Manila on 25 October and in Cebu on the morning of 26 October for a 3-day visit. Xiamen is the fourth Chinese city to become a friendship city with a Philippine counterpart. Earlier, Hangzhou, Shanghai, and Guangzhou established ties of friendship with Baguio, Metro Manila, and Manila (which is a component part of Metro Manila) respectively.

HOANG VAN HOAN VISITS GUANGXI, MEETS REGUGEES

HK290519 Nanning Guangxi Regional Service in Mandarin 1130 GMT 26 Oct 84

[Text] Hoang Van Hoan, an old friend of the Chinese people and a Vietnamese proletarian revolutionary of the older generation, visited our region recently.

During his visit, our revered Comrade Hoang called on the Guangxi radio broadcast station, toured Nanhu Park, met (Zhao Leqin), (Liang You), and other comrades who had worked side by side with him in the arduous revolutionary struggle in the past, and paid a visit to the family members of Comrade (Mo Yifan) and (Wu Yubai), who passed away recently.

Despite fatigue, due to the long journey, Comrade Hoang Van Hoan visited, on 22 October, a fishing village in Beihai City where Vietnamese refugees have settled and met some Vietnamese refugees who risked their lives to flee from their motherland in recent years because of persecution by the Le Duan clique. Our revered Comrade Hoang expressed his great indignation against the criminal acts of the Le Duan clique, so forsook the will of the late Chairman Ko Chi Minh, sold out the nation's interests, and ruthlessly suppressed the people.

During Comrade Hoang Van Hoan's visit to Beihai City, some Vietnamese refugees, fleeing by boat from the country, happened to arrive in the city. Comrade Haong Van Hoan personally went to the seashore to call on these compatriots who were forced to flee from Vietnam, bringing along the old and the young. He showed his sincere sympathy for their tragic experience and presented them with some canned food. Deeply touched by our revered Comrade Hoang's solicitude for them, the refugees held Comrade Hoang's hands tightly, with tears running from their eyes.

JOURNALISTS' GROUP SIGNS MEMORANDUM IN PHILIPPINES

OW292049 Beijing XINHUA in English 2034 GMT 29 Oct 84

[Text] Manila, October 29 (XINHUA) -- All China Journalists Association (ACJA) and the National Press Club of the Philippines (NPCP) tonight signed a memorandum of agreement to strengthen mutual understanding and cooperation between the journalists of the two countries.

Ding Yangyan, head of the ACJA delegation and member of secretariat of ACJA, and Antonio Nieva, president of the NPCP, signed the agreement on behalf of their respective organizations. The agreement said that both sides agree to promote cooperation and exchange experience in the field of training of journalists. They also decided to exchange mutual visits of media men regularly. The ACJA delegation arrived here on October 16 at the invitation of the National Press Club of the Philippines.

President Marcos recevied the delegation on October 18. They also met speaker of the National Assembly and called on ministers of foreign affairs, defense, information and tourism.

During their two-week visit, the Chinese journalists visited the Philippine News Agency, major newspapers and televisions and exchanged experience with their counterparts. The ACJA delegation is leaving Manila for home tomorrow.

REPORTAGE ON SHOOTING, DEATH OF INDIRA GANDHI

Spokesman Expresses Condolences

OW311300 Beijing XINHUA in English 1251 GMT 31 Oct 84

[Text] Beijing, October 31 (XINHUA) -- China expressed its condolences over the death of Indian Prime Mizister India Ghandi today. "We were shocked to learn the unfortunate news that Prime Minister India Ghandi had died from assassination," a spokesman for the Chinese Foreign Ministry said here today.

He said that Indira Ghandi was an outstanding stateswoman of India. She made useful contributions to the improvement and development of Sino-Indian relations. "The Chinese Government and people express their profound condolences over her death," he added.

It is reported that the 67-year-old Indian prime minister was shot in front of her official residence in New Delhi earlier today.

News of Death

OW310809 Beijing XINHUA in English 0807 GMT 31 Oct 84

[Text] New Delhi, October 31 (XINHUA) -- Indian Prime Minister Indira Gandhi died today after being shot by gunmen in front of her home here, sources here reported.

Report of Shooting

OW310724 Beijing XINHUA in English 0713 GM 31 Oct 84

[Text] Beijing, October 31 (XINHUA) -- Indian Prime Minister Indira Gandhi was shot and wounded in the abdomen by the assassins at ther residence in New Delhi Wednesday, according to reports received here today.

Indian PTI News Agency confirmed the assassination attempt. Mrs Gandhi was taken to the hospital soon after the attack on her life. It was reported that all roads surrounding the prime minister's residence were blocked off by armed security men. So far, no further details of the attack were made available, and it was not known how serious the prime minister's injuries were.

XIZANG DELEGATION HOLDS TALKS IN NEGAL

OW301511 Beijing XINHUA in English 1434 GMT 30 Oct 84

[Text] Katmandu, October 30 (XINHUA) -- China is a close friendly neighbor of Mepal and the long-time traditional friendship between the two countries will continue to develop, Nepalese Acting Foreign Minister Pashupati Shumsher Rana said here today. The minister made the comment while meeting with the visiting delegation from Tibet led by Duojiecaidan, chairman of the Tibet Autonomous Regional People's Government.

During the talks, both sides agreed that there is great potential for the expansion of cooperation between the Tibet Region and Nepal in trade, tourism, business joint-ventures and other fields.

Caidan said China's policy of opening to the outside world is a major long-term policy and that the Tibet Region will give priority to Nepal, China's friend and neighbor. The delegation also met Nepalese Industry Minister Narayan Dutta Bhatta this afternoon.

BUDDHIST DELEGATION RETURNS FROM NEPAL

HK301040 Lhasa Xizang Regional Service in Mandarin 1130 GMT 29 Oct 84

[Text] A friendship delegation of China's Buddhist Association, led by (Shejiecantu Wenducuocan), executive board member of China Buddhist Association and vice chairman of the regional Buddhist Association, concluded its 12-day visit to Nepal and returned to Lhasa on the afternoon of 28 October. The deputy heads of the delegation were Duojizha Jiangbaluosang and (Xhumi Changbaluizhu).

Shenqin Luosangjianzan and Xuekang Tudengnima, vice chairmen of the regional People's Congress Standing Committee; (Wei Huang), Advisory Committee member of the regional CPC Committee; and responsible comrades from the regional CPC Committee United Front Work Department, the regional Administrative Bureau for Religious Affairs, the regional branch of the China Buddhist Association, and the regional Foreign Affairs Office, received the delegation at the regional CPPCC office. Also receiving the delegation was (Youdenashi Sarmapuder), Nepalese consult o the region.

During the visit to Nepal, the delegation exchanged views with the Nepalese on Buddhist affairs, visited scenic spots, and toured the birthplace of Sakyamuni and other sacred places. Thus, it has promote friendship between the people, as well as Budchists, of China and Nepal.

LI XIANNIAN TO VISIT PORTUGAL IN MID-NOV

OW310920 Beijing XINHUA in English 0852 GMT 31 Oct 84

[Text] Beijing, October 31 (XINHUA) -- President Li Xiannian of the People's Republic of China and Madam Lin Jiamei will pay a state visit to Portugal in mid-November at the invitation of President Eanes of the Republic of Portugal. This was announced by a Foreign Ministry spokesman here this afternoon.

President Li Xiannian will visit Portugal after his state visit to Spain. Accompanying President Li Xiannian on his visit to these two countries are State Councillor and Foreign Minsiter Wu Xueqian, Vice-Minister of Foreign Economic Relations and Trade Zheng Tuobin and others.

The spokesman also said that at the invitation of the Chinese Government, Madam Daniel Mitterrand, wife of French President Mitterrand, will pay a goodwill visit to China from November 9 to 16.

TURKISH FOREIGN MINISTER ENDS VISIT, DEPARTS

OW301244 Beijing XINHUA in English 1141 GMT 30 Oct 84

[Text] Guangzhou, Octoger 30 (XINHUA) -- Turkish Foreign Minister Vahit Halefoglu, Mrs. Zehr Halefoglu and their party concluded their visit to China and left here for home today. The Turkish guests arrived here yesterday afternoon after touring Beijing, Xian and Shanghai. They were honored at a banquet given by Guangdong Provincial Government yesterday evening.

HEBEI TO IMPORT PRODUCTION LINE FROM SPAIN

OW301000 Beijing XINHUA in English 0800 GMT 30 Oct 84

[Text] Shijiazhuang, October 30 (XINHUA) -- A leather production line is to be imported from Spain to Xingtai in Hebei Province under a contract signed here on Monday. The first cooperation agreement between China and Spain was concluded by the Xingtai tannery and the Spanish Colomer Leather International Promotion Company.

The line will be able to tan one million lamb hides a year, and the tannery will compensate the Spanish side with its products. The Xingtai tannery exports products to more than 20 countries and Hong Kong.

SFRY LEADER MEETS PRC PEOPLE'S COURT GROUP

OW301646 Beijing XINHUA in English 1532 GMT 30 Oct 84

[Text] Belgrade, October 30 (XINHUA) -- Vice-President of the Federal Presidency of Yugoslavia Radovan Vlajkovic received the visiting delegation of the Supreme People's Court of China here today.

Vlajkovic expressed to Zheng Tianxiang, president of the Supreme People's Court of China and head of the delegation, satisfaction with the relations of cooperation with China.

The delegation arrived here on October 21 for a 10-day visit at invitation of the Federal Court of Yugoslavia. It had discussions with the president of the Federal Court of Yugoslavia, Stojan Djuranovic. The two sides compared notes on their juridical systems and perfection of the legal order. The Chinese delegation will leave here for home tomorrow.

NEW PRC AMBASSADOR TO CPR TAKES POST 29 OCT

OW291721 Beijing XINHUA in English 1652 CMT 29 Oct 34

[Text] Berlin, October 29 (XINHUA) -- New Chinese Ambassador to Democratic Germany Ma Xusheng today presented his credentials to Erich Honecker, chairman of the Democratic German State Council,

During their meeting, Honecker said that his country is satisfied with the development of relations between the two countries is recent years. He said that these relations have done much to help relax tensions in the international situation and the maintenance of world peace. His country is willing to increase the cooperative relations between the two countries in the fields of politics, the economy, science and culture, he added. The new Chinese ambassador arrived here on October 18.

XI ZHONGXUN, DELEGATION ARRIVE IN ALGERIA

OW310512 Beijing XINHUA in English 0221 GMT 31 Oct 84

[Text] Algiers, October 30 (XINHUA) -- A Chinese party and government delegation arrived here today for the 30th anniversary of the Algerian revolution. The delegation was headed by Xi Zhongxun, Politbureau member of the Chinese Communist Party Central Committee.

Xi told reporters at the airport that the delegation arrived with congratulations and an offer of friendship. The delegation will convey a message from Chinese leaders to Algerian President Chadli Bendjedid, he said.

Through this visit, the traditional friendship and effective cooperation between the two parties and governments will further consolidate and develop, he said.

PRC ENVOY TO ZAMBIA CELEBRATES DIPLOMATIC TIES

OW300818 Beijing XINHUA in English 0651 GMT 30 Oct 84

[Text] Lusaka, October 29 (XINHUA) -- Chinese Ambassador Zhang Junhua gave a dinner this evening to mark the 20th anniversary of the establishment of diplomatic relations between China and Zambia.

Speaking on behalf of the Zambian Government, Minister of Cooperatives J. Mukando said that since the establishment of diplomatic ties, the friendship between Zambia and China has continously developed. He expressed the hope that this great friendship will be further consolidated and promoted in the future.

From the very beginning of Zambia's independence and during its difficult times, Mukando stressed, China has always come to Zambia's assistance. The Zambian people will always remember that the Tazara railway, the Mulungushi textile mill, the Chingola maize mill and other projects were built by the Chinese people, he added.

Ambassador Zhang said, "the establishment of diplomatic ties between China and Zambia is a great event of historic significance." As the Sino-Zambian friendship is sincere and profound, he noted, it can stand the test of history.

Among more than 100 people from all walks of life attending the dinner were Administrative Secretary of the ruling United National Independence Party (UNIP) R. Sikasula, Chairman of the UNIP Social and Cultural Committee J.B. Litana, Minister of Finance L.J. Mwananshiku, Minister of Agriculture and Water Development G.K. Chinkuli, and Minister of Works and Supply H.Y. Mwale.

HU YAOBANG, CHEN YUN AT CPC INSPECTION SESSION

OW310026 Beijing XINHUA Domestic Service in Chinese 1239 GMT 30 Oct 84

[Text] Beijing, 30 Oct (XINHUA) -- The Fourth Plenary Session of the CPC Central Discipline Inspection Commission which concluded yesterday emphatically pointed out: To reform the economic structure is an important task for the whole party. We must carry out the party's discipline inspection work with this task as the core, study how to reform the discipline inspection departments themselves, and actively support and promote the work of reforming the economic structure in the whole country in order to ensure the implementation of the "Decision of the Central Committee of the Communist Party of China on Reform of the Economic Structure" and the smooth progress of the major reform that would decide the success or failure of the socialist modernization program.

Hu Yaobang, member of the Standing Committee of the Political Bureau and general secretary of the CPC Central Committee; Chen Yun, member of the Standing Committee of the Political Bureau of the CPC Central Committee and first secretary of the Central Discipline Inspection Commission; and Huang Kecheng, second secretary of the Central Discipline Inspection Commission, offered important suggestions on how to make this session a success.

This session's theme was to study the "Decision of the Central Committee of the Communist Party of China on Reform of the Economic Structure" and to discuss and study how to strengthen the party's discipline inspection work in order to ensure the smooth progress of economic structure reform. Those attending the session summed up their experiences, aired theirviews, and unanimously agreed with the guiding ideology put forward by Comrade Chen Yun for the session. It was a lively and warm session. A report, entitled "Strengthen Discipline Inspection Work, Ensure Smooth Progress of the Reform of the Economic Structure," was adopted at the end of the session.

The session held: The "Decision of the Central Committee of the Communist Party of China on Reform of the Economic Structure," adopted by the 3d Plenary Session of 12th Central Committee of the Communist Party of China, is a programmatic document for guiding the reform of China's economic structure. It is of great immediate significance and far-reaching historic importance in developing a socialist modernization program with Chinese characteristics. All party members must earnestly study this decision; understand the pressing need for and great significance of carrying out this reform; implement the theories, policies, and important measures for the reform in their speeches and actions; and consciously indentify themselves with the central authorities.

The session held: This economic structure reform is being carried out for the interests of the entire country and the people and is aimed at making the country prosperous and strong and the people well off. All party members should actively take part in this reform, play leading roles in carrying it out, and strive to score an overall victory in reforming the economic structure.

The session pointed out: Without good party style, it is impossible to do a good job in carrying out reform. To ensure the smooth progress of economic reform, it is necessary to improve party style at the same time. In the course of carrying out reform, we must guard against and oppose unhealthy tendencies. All party members and cadres must act righteously and be fair-minded and honest in performing their official duties, constantly keep the interests of the country in mind, and work for the people's benefit.

Through their own work, the discipline inspection departments must support and commend those units, cadres, and party members that display correct party style and do a good job in reforming the economic structure. At the same time, they must guard against and correct actions taken by some units, cadres, and party members that go against the decision of the central authorities on economic structure reform. In the course of reforming the economic structure, it is necessary to resolutely check, through their efforts in carrying out party rectification and regularly correcting the party style, the two types of unhealthy tendencies of seeking personal gain by abusing one's power and of serious bureaucracy.

The session held: In order to keep pace with the new situation in invigorating the domestic economy and opening to the outside world and to change the rigid economic structure that cannot meet the needs of the production growing forces, we must also duly adjust and improve our policy. In doing discipline inspection work, we should study and keep pace with the new situation; conduct investigation and study in a deepgoing manner; and solve new problems according to the current policy of the party Central Committee.

The session stressed: The principle with regard to party spirit and party discipline must not be compromised. The Communist Party must persistently observe party discipline. It is necessary to enforce party discipline and state laws against those party members and cadres who violate the law and party discipline or who commit economic crimes.

The session also emphatically pointed out: To work hard to bring about a turn for the better in party style is one of the important tasks for the whole party put forward by the 12th National CPC Congress. Efforts must be made to establish and improve the system of holding all leading bodies responsible for improving party style under the leadership of the party committees at all levels and to truly achieve the goal of all leading comrades' taking the lead and assuming responsibility at each level and the whole party's paying attention to party style and trying to bring about a marked improvement in it until a fundamental improvement is noted.

Communique Issued

OW310239 Beijing XINHUA Domestic Service in Chinese 1230 GMT 30 Oct 84

[Text] Beijing, 30 Oct (XINHUA) -- Communique of the Fourth Plenary Session of the CPC Central Committee Discipline Inspection Commission.

[Dated] 20 October 1984

[The Fourth Plenary Session of the CPC Central Committee Discipline Commission was held in Beijing from 25 to 29 October 1984. The major item on the session's agenda was studying the decisions of the 3d Plenary Session of the 12th CPC Central Committee and discussing the question of how discipline inspection work ensures the implementation of the central authorities' decisions.

Hu Yaobang, member of the Standing Committee of the Political Bureau and general secretary of the CPC Central Committee; and Comrade Chen Yun, first secretary of the Central Discipline Inspection Commission, proposed to the session the guiding ideology for doing discipline inspection work well in the reform of the economic structure. Comrade Huang Kecheng, second secretary of the Central Discipline Inspection Commission, proposed important opinions on doing a good job in holding the session.

The plenary session unanimously supported the "Decision of the Central Committee of the Communist Party of China on Reform of the Economic Structure" made by the 3d Plenary Session of the 12th CPC Central Committee. The comrades attending the session were deeply confident that this decision will inevitably give an impetus to the rapid development of our country's economic construction and will be of far-reaching historial significance for the construction of socialism with Chinese characteristics. The session unanimously supported the decision of the 3d Plenary Session of the 12th CPC Central Committee on the convocation of a national conference of party delegates.

The plenary session examined and adopted a report, "Strengthen Discipline Inspection Work, Ensure Smooth Progress of the Reform of the Economic Structure," submitted by the Standing Committee of the Central Discipline Inspection Commission. The session deemed: A fine party work style and strict and clear party discipline are indispensable requirements for carrying out reform of the economic structure. Socialist material civilization and socialist spiritual civilization should be grasped simultaneously. Unhealthy tendencies should be prevented and opposed. Discipline inspection organizations should study and adapt to the new situation, carry out their own reforms, strive to do good work, and support and ensure the reform of the country's economic structure. The plenary session also discussed the "Opinions on the Strengthening of the Construction of Discipline Inspection Organizations."

One hundred seventeen members of the Central Discipline Inspection Commission attended the session. Seventy-seven heads of discipline inspection groups of departments and commissions of central and state organizations attended the session as observers. Also attending the session as observers were secretaries and members of the Discipline Inspection Commission of the Military Commission. Comrade Wang Heshou, permanent secretary of the Central Discipline Inspection Commission, presided over and delivered a speech at the session.

SUPERIORITY OF SOCIALISM TO BE EMPHASIZED

HK301417 Beijing RENMIN RIBAO in Chinese 25 Oct 84, p 5

[Article by He Kuang: "'How Can the Superiority of Socialism Be Brought Into Play' -- Discussion of Economic Structural Reform"]

[Text] What is socialism? Opinions have varied on this issue from the past to the present. In the light of the several decades of experiences since the birth of socialism, I hold that by socialism, we mean the replacement of political rule of the bourgeoisie with that of the working class and the working people. (in China, this refers to the people's democratic dictatorship), the replacement of private ownership of production means by the capitalists with the domination of the public ownership of production means (this does not mean that all means of production are possessed by society as a whole), the replacement of the anarchic market economy (also called the capitalist commodity economy) with a planned (guided) commodity economy (also called the socialist commodity economy), and the replacement of the system of exploitation with the principle of distribution according to work done (including mental and manual labor).

If a country has the aforesaid conditions, it is already socialist in nature. Adherence to these conditions means upholding socialism and the socialist road.

Compared with the capitalist system which, in the present-day world, has entered the final stage of its own development, socialism, under which the working people are the masters of their country, work for their own interests and take the road of common prosperity, has opened up an extremely broad road for the development of socialist productive forces and has provided an extremely solid foundation for achieving labor productivity higher than that in capitalist society. In a word, socialism has tremendous superiority in developing the productive forces.

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However, we must acknowledge that thus far all socialist societies have been established in countries which are backward in terms of productive forces compared with the capitalist countries, which are highly developed in this respect. Therefore, although socialist countries have grown at a rapid pace, they should still undergo a fairly long historical process before they manage to surpass capitalist countries in terms of high labor productivity. Doubtlessly, if we can bring into full play the superiority of socialism politically, economically, and culturally, we are already in a position to significantly shorten this process.

I do not intend to study this matter form the angle of politics, economics, and culture. In this regard I would like to discuss briefly my personal views on the question of giving play to the superiority of socialism, centering on the reform of the economic system.

The economic system finds expression in the system of specific economic rules and regulations. The economic system is not in itself the socialist system we mentioned above, and it serves the latter. As far as service is concerned, there is both good and bad service. The only criterion for testing whether service is good or bad is the practice of how far productive forces have been developed.

We have for many years carried out a planning system which gives priority to mandatory planning, the state financial allocation system in capital construction, the planned allocation system in the means of production; the system under which state organs directly operate and manage enterprises; the financial system under which all revenues and expenditures are handled by the state in a unified way; the commercial system characterized by state monopoly for the purchase and marketing of all goods; the nationally unified labor and wage system; the price-control system under which prices are fixed by the state in a unified way; the system of people's communes whereby the three-level ownership by the commune, the production brigade, and the production team is practiced, with the production team as the basic accounting unit; the production team management system under which work is carried out collectively and distribution is handled according to work points and many other economic rules and regulations. Practice over the past years has proved that this economic structural pattern which either refuses to acknowledge the existence of the socialist commodity economy or dares not develop the socialist commodity economy has not only failed to bring into proper play the superiority of socialism but also seriously hindered and even sabotaged the superiority of socialism from being brought into play. If this economic system is not reformed, socialism will get nowhere and it will be impossible to give play to its superiority.

There has been, for quite some time, a misunderstanding among quite a few people. They confuse the economic system which has not yet served socialism as satisfactority as it should with the socialist system itself, equating the former to the latter. If someone proposes reform and starts to reform these specific economic rules and regulations, they will be extremely worried and think that we have no longer upheld socialism and have deviated from the socialist road, and that history is retrogressing.

In the past few years, there has been a fundamental reform in the rural economic system. Is it not obvious to all that the reform has significantly consolidated and augmented our socialist system? Without the reform and without the big development of rural productive forces resulting from the reform, what a difficult situation China would now be in!

In order to persistently implement the decision of the 3d Plenary Session of the 12th CPC Central Committee on reform of the economic system and to minimize the ideological obstacles in carrying out reform of the urban economic system, we must carefully study and conscientiously resolve one major question of understanding, namely, the economic system is not the socialist system in itself and reforming the outmoded economic system or the economic system which has been proven not satisfactory by practice can only help us better uphold the socialist road and bring the superiority of socialism into fuller play.

GOVERNMENT, ENTERPRISE SEPARATION NECESSARY

HK301535 Beijing RENNIN RIBAO in Chinese 25 Oct 84 p 5

[Article by Zheng Hongqing: "Only by Separating the Function and Responsibilities Between the Government and Enterprises Can the Economy Be Invigorated"]

[Text] The "CPC Central Committee Decision on Reform of the Economic Structure" points out: In order to correctly give play to the economic administrative function of government organizations, we must carry out reform in accordance with the principle of separating the function and responsibilities of government and enterprises, streamline administration, and transfer power downward. This is the key to overcoming the malpractice of overcentralization in our old structure, invigorating our enterprises, and enlivening our economy.

Due to complicated social and historical causes, we have for a long time implemented a system of administering our economy mainly by administrative means in line with the division of administrative areas and tiers in administrative organizations. This kind of system inevitably leads to substituting government administration for enterprise management and to a failure in separating the function and responsibilities of government and enterprises. All state-run enterprises (in fact, collective enterprises are also included) are subordinate to government organizations at various levels, and operations such as production, supply, and marketing of the enterprises are directly commanded and controlled by the responsible departments of the government. This mode of administration has given rise to many serious evils. First, it has turned our enterprises into accessories to government organizations and thus put them in a passive position and greatly constrained their initiative and creativeness. Second, the links between enterprises that are subordinate to different departments or areas are severed, and this has made it difficult for them to carry out necessary cooperation, set up joint operations, or compete with one another. Third, it has weakened the state's macroeconomic management and given rise to bureaucracy and the malpractice of giving blind commands. In short, this kind of system that fails to separate the function and responsibilities between government and enterprises, and runs counter to the requirements of the development of socialized mass production and a commodity economy. It is detrimental to strengthening the vitality of our enterprises, to developing a unified socialist market, and to establishing a rational economic structure and a rational organizational structure in our enterprises. It also seriously hinders technological progress and the raising of our economic results. Therefore, carrying out reform in accordance with the principles of separating the function and responsibilities of government and enterprises, streamlining administration, and transferring power downward is an urgent demand in invigorating our enterprises and economy.

First, we should thoroughly solve the problems related to our thoughts and understanding. Our socialist state organizations shoulder responsibility for organizing and administering the economy. However, this does not mean that they should directly administer our enterprises, perform the duties of these enterprises in their daily production, and management activities. Our government represents the fundamental interests of all people and is a social center that observes and grasps the whole situation of economic development; therefore it must only carry out macroeconomic and comprehensive administration over the national economy. However, our enterprises are production units where laborers are directly combined with production means, and the microeconomic activities of our enterprises must only be guided by the policy decisions that they have made on their own under the guidance of the policies and plans of the state. The position and function of our government and enterprises differ; therefore they cannot replace each other.

At the same time, we should draw up clear and scientific regulations on the function of government organs in administrating the economy. In the future, except for a very small number of departments which will continue to directly manage some enterprises (these departments should not continue to use the old methods of conducting administrative management, but they should streamline the administration and transfer of power downward), on principle, no government organizations -- central or local ones at any level -- should directly manage any enterprise. All our enterprises should become commodity producers that really enjoy their relative independence, conduct their management on their own, and shoulder sole responsibility for their profits and losses. The function of our governments should be switched onto "drawing up plans, giving guidance, coordinating between various enterprises, and supervising and prowiding service for enterprises." Our government organizations should conduct effective leadership and readjustment over our enterprises mainly by means of defining the orientation of economic development, drawing up medium- and long-range plans and economic policies, formulating economic laws and decrees, providing economic information and applying economic levers. What we should lay particular stress on is that the governments should strive to strengthen its work to serve production and livelihood thus providing fine external conditions for fully giving play to the vitality of our enterprises.

Government organizations at all levels actually streamlining their administration and transferring power downward will be conducive to the rational readjustment and reform in the structure of these government organizations in order to meet the demand for the interacting application of modern science and technology and the comprehensive exploitation of natural resources.

THEORETICAL FOUNDATION OF ECONOMIC REFORM VIEWED

HK301510 Beijing RENMIN RIBAO in Chinese 29 Oct 84 p 5

[Article by Wang Jue: "An Important Theoretical Basis for Reform of the Economic Structure"]

[Text] Only on a solid theoretical foundation can reform of the economic structure be carried out smoothly.

One of the basic theoretical bases for our economic reform is that a socialist economy should be a planned commodity economy. Only on the basis of this theory can we correctly explain the drawbacks of our existing economic structure and the characteristics of the new structure, and ensure the healthy development of reform practice.

The main drawbacks of the existing economic structure can be summarized in three words: overcentralized, stagnant, and short. That is, too many things are overcentralized by the state; enterprises' economic activities are stagnant; and the people are short of actual benefits. A vicious circle is formed as state control becomes more rigid, enterprises become more stagnant, material shortages become more serious, which in turn further tightens state control. Why has such an unreasonable economic structure not been changed for a long time? A major reason is because we do not realize that a socialist economy should be a planned commodity economy but just handle the economic structure according to the idea of establishing a produce economy. Then, enterprises can only be directly managed by state institutions and economic affairs must be handled through administrative measures. As a result, the important role of economic levers and market forces is overlooked and various drawbacks are Therefore, only by thoroughly overcoming the influence of the idea of practicing a product economy and fully affirming the commodity character of the socialist economy and going all out to develop the socialist commodity economy can we succeed in enlivening the economy and rapidly promote the development of the social productive forces by boldly utilizing the law of value and the market mechanisms under the guidance of state plans.

The fundamental purpose of the economic structure reform is to develop the social forces of production. In car country's current stage, the development of the socialist commodity economy represents the growth in the social forces of production and the advance of the socialist modernization cause. Therefore, the economic structure reform is bound to promote the great development of the socialist commodity economy.

The reform requires the expansion of enterprises' decisionmaking power and the increase in enterprises' dynamism. As relatively independent economic entities. enterprises must act as independent commodity producers or dealers that conduct independent business accounting and bear sole responsibility for their profits and losses; so it is necessary to form a correct relationship between the state and the enterprises. Enterprises should be separated from the state administrative system and should be vested with full authority for their production and operation. State departments should only be responsible for policymaking, planning, coordination, supervision, taxcollection, and backup services in various trades and professions. In principle, they should not directly manage the enterprises. On the other hand, it is necessary to form a correct relationship between an enterprise and its workers. On the premise of substituting tax payment for profit delivery and in the management of the enterprise, the manager responsibility system should be integrated with the workers' participation in democratic management in order to ensure that workers can really be masters of the enterprise. It is necessary to establish various economic responsibility systems in the management of the enterprise in order to link people's responsibilities with their rights and benefits and to coordinate the interests of the state, enterprises, and individuals. This will link workers' incomes with their work results. With the correct handling of the above two relationships, the enterprises will increase their decisionmaking power in production and operation and will increase their dynamism and vitality.

The reform should ensure the proper management of things that have an overall bearing on the nation and should enliven economic activities at grassroots and local levels.

For this sake, our plans should give guidance to the development of the commodity economy, and planned targets should be realized through the conscious application of the law of value. The planned economy should not be equated to the enforcement of mandatory plans. Guidance plans should also be regarded as part of the planned economy. It is necessary to narrow step by step the scope of mandatory plans and to enlarge the scope of guidance plans. Guidance plans should be placed in a more important position and should play a greater role. This requires that the unreasonable, overcentralized, and too rigid pricing system be reformed. The scope of state pricing should be gradually narrowed. A price structure that organically combines planned prices, floating prices, and free prices should be shaped, because it will be more favorable to the development of the socialist commodity economy.

Reform should ensure the development of diverse economic forms and the implementation of the open-door policy. With public ownership as the main body of our economy, we should ensure the coexistence and reasonable coordination of diverse economic and operational forms. The development of diverse economic forms is conducive to the development of the socialist commodity economy. At the same time, this economy cannot be conducted in a closed country. We should introduce advanced technology and management skills, as well as financial resources, from other countries in order to promote the development of our socialist modernization cause.

In short, the reform of the economic structure should be based on the theory of the socialist commodity economy. Fulfillment of the reform will inevitably promote the socialist commodity economy's great development and will ensure the smooth fulfillment of the general task of our modernization program.

JINGJI YANJIU ON REFORMING ECONOMIC RELATIONS

HK310705 Beijing JINGJI YANJIU in Chinese No 9, 20 Sep 84 pp 42-28, 8

[Article by Mao Tianqi of the Economic Research Office of the Chinese Academy of Social Sciences: "On Putting Economic Relations in Order" -- revised article of July, 1984]

[Text] Since the 3d Plenary Session of the 11th CPC Central Committee, our national economy has been steadily developing amid readjustment and reform. However, economic relations have not yet been completely put in order. This problem affects both the basic improvement of our country's finances and economy and the "staying power" of our economic development.

I

The assertion that economic relations have not been put in order means two things: First, various major proportional relations of the national economy, including those between agriculture, light industry, and heavy industry, are not yet very well coordinated; within the agricultural and industrial sectors, the occupational structure, composition of products, and organizational structure of enterprises must continue to be readjusted; and second, between the state, the enterprise, and the individual; between the central authorities and local authorities; and between the workers and peasants, there are still many contradictions in relations of distribution of interests; there are also many problems concerning prices, wages, taxation, and their management; reforms are necessary. With the development of the socialist production and exchange of commodities, the second of the two things mentioned above has become a more serious matter than the first, because it basically restricts the coordination of socialist economic relations and the creation of a healthy national economic cycle.

In general, the fact that economic relations have not been completely put in order is mainly reflected in the following phenomena:

- 1. There has not been any major improvement in the situation of poor economic results. Since the 12th CPC Congress, at which it was put forth that all economic work must be shifted to the path of having the improvement of economic results as the focus. there have been improvements year after year in the situation of poor economic results, but the improvements have not been very satisfactory. For 1983, the budgeted target for the increase in the state industrial enterprises; total output value over the previous year was 9.3 percent; but the amount of realized taxes and profits grew by only 6.3 percent; and the amount of taxes paid and profits turned over to higher authorities increased by only 2 percent; and the proportion of profits and taxes in the output value, expressed as an amount per 100 yuan of output value, even dropped 0.85 percent. The consumption of materials by state enterprises was generally excessive. Comparable production costs decreased by 0.2 percent to 1983 compared to the 0.1 percent decrease the previous year, falling short of the planned target of 2 percent. Considering the composition of the value of the social product, in recent years, c grew faster than (v plus m), which in turn grew faster than m. These facts show that our economic work has not been completely freed from the beaten track of one-sidedly striving for rapid output value growth at the expense of economic results.
- 2. Various subsidies paid out of state fiscal funds are excessive. At present, such subsidies mainly include price subsidies for goods, various tax concessions, and subsidies for making good the enterprises' deficits. Under orindary circumstances, the state's finance should improve with economic development; however, if the amount of price subsidies is large, finance difficulties will increase with the progress of economic development. During the 4 years from 1979 to 1982, the total subsidies paid out of state fiscal funds amounted to nearly 150 billion yuan. In 1978, fiscal subsidies paid by the state amounted to 16 billion yuan, approximately equal to 14 percent of state fiscal revenue for that year; in 1982, fiscal subsidies reached 43 billion yuan (out of which over 33 billion yuan was price subsidies), or 38 percent of state fiscal revenue for that year; thus, subsidies increased at an average annual rate of 28 percent. If this trend continues, difficulties in the state's finance will keep worsening.
- 3. The overall scale of investment in fixed assets is still excessive. In 1982, total investment in fixed assets increased by 17.8 billion yuan or 26 percent compared with the previous year -- much faster than the 7.2 percent growth in national income. In 1983, despite a series of measures taken by the State Council, total investment still grew by 10.66 billion yuan or 12.6 percent, faster than the 9 percent growth in national income. Capital construction investment in the Sixth 5-Year Plan is set at 230 billion yuan, but from 1981 to 1983 actual investment reached 159.2 billion yuan. If this situation is not brought under control, not only will many problems arise in national income distribution and finance, but contradictions in market demand and supply will continue to intensify.
- 4. The output of subsistence means grows too slowly. Since the 3d Plenary Session of the 1lth CPC Central Committee, the state has adopted a series of special policies to increase the proportion of consumption funds in the outlay of the national income; the level of consumption of the urban and rural populations has risen; and in particular, money income has increased even faster. In comparison, however, the output of the subsistence means has grown too slowly, the variety and quality of products cannot satisfy the people's needs, and the problem of consumers holding money and waiting for opportunities to make purchases is becoming increasingly more serious.

By the end of 1983, the cumulative excess social purchasing power had reached 150 billion yuan. This undoubtedly represents a huge potential pressure affecting equilibrium in market demand and supply.

5. Foreign exchange reserves are excessive. With the achievement of a surplus in export trade in recent successive years, the state's foreign exchange reserves have grown very quickly, reaching 11.13 billion dollars in 1982. This naturally reflects the development of production in our country and the strengthening of our ability to earn foreign exchange through exports; this also demonstrates, however, that we have not opportunely used foreign exchange for circulation.

The abovementioned results of the fact that economic relations have not been put in order are markedly reflected in the state's fiscal deficits, the excess money supply, the shortage of goods and materials, and the rise of prices of goods.

From 1979 to 1983, the cumulative state financial deficits, excluding internal and external debts such as treasury bills, added up to 39.6 billion yuan.

Between 1978 and 1983, the quantity of money in circulation on the market increased by 150 percent at an average annual rate of 20 percent, but the average annual rate of national income growth was only 6.9 percent.

Between 1978 and 1983, retail commodity prices in our country rose 14.5 percent, while the prices of the major production means, such as steel products, cement, lumber, and so on, rose even faster than those of the means of livelihood. Since 1983, the prices of non-staple foods, which are closely related to the livelihood of the masses of people, have risen at two-digit rates -- 12.7 percent for fresh vegetables, 13.4 percent for aquatic products, and 14.7 percent for fresh fruits.

Putting economic relations in order means that while continuing to correct "leftist" mistakes in economic work, we must conscientiously implement the guiding principles of readjusting, restructuring, consolidating, and improving; we must satisfactorily achieve comprehensive macroeconomic equilibrium; we must, in accordance with objective economic laws, particularly the law of value and the law of distribution according to work done, readjust the relations of interests between the state, the enterprise, and the individual, between the cities and the countryside; we must reform those policies and systems that are imcompatible with the vigorous development of the socialist production and circulation of commodities; we must rectify the enterprises, establish and perfect various types of economic responsibility systems, and quicken the work of "shifting enterprises onto new paths and changing them into new types of enterprises"; and we must improve the comprehensive economic results of the national economy so that various categories of economic work can, according to objective economic laws of socialism, smoothly proceed in a normal way along the track of a healthy cycle.

II

Since the 3d Plenary Session of the 11th CPC Central Committee, while gradually deepening our knowledge of the defects of our original systems we have carried out partial economic reforms through experimentation at selected points, and have implemented some economic policies conducive to developing socialist production and circulation of commodities. This is a major reason for the steady national economic growth over the past several years.

Moreover, partial reform at experimental points has enabled us to further understand that our economic relations problems are often related to the irrationality of the existing economic systems, and that in particular those systems and policies that work against the vigorous development of socialist production and the exchange of commodities are often major causes of problems with our economic relations. Therefore, in order to put economic relations in order, we must reform or readjust these economic systems and policies.

Let us first discuss the question of prices. Prices and the price management system are the most sensitive of all economic issues. The current readjustment of our irrational pricing system and the current reform of our commodity price management system, which is marked by overconcentration, directly work to put in order a major constituent part of our economic relations. Considering the pricing system, within the agricultural sector, the irrational relative prices of grain crops and industrial crops have led to anomalous increases in the output of certain industrial crops; and within the industrial sector, the unreasonably low prices of energy resources, materials, and raw materials and the irrational relative prices of various processed industrial products have artificially led to inequality in earnings between various industries or enterprises. Considering the example of coal, in 1982, out of the 98 coal mines in our country which are directly under the central authorities and which are subject to unified pricing, 64 incurred deficits; the losses incurred by this 65.3 percent of those coal mines led to a deficit for the whole industry. Because of the unreasonably low prices of coal and the increase in demand, not only has it been difficult to popularize energy-saving technological measures, but the phenomenon of coexistence of many coal prices has appeared. It is known that in 1982, there were 12 different coal prices in our country, with unified prices and negotiated prices differing by nearly 300 percent.

The direct undesirable economic consequences of irrational relative prices are as follows: 1) It is difficult to carry out normal economic accounting in the enterprises; it reduces state fiscal revenue and increases fiscal subsidies; 2) it is difficult to develop circulation; for some commodities for which there is a great social demand, because of the inverted structure of purchase prices and selling prices, processing sectors are unwilling to process them, commercial sectors is unwilling to handle them, and various localities are also unwilling to trade in them across local boundaries, so it is "difficult to buy or sell them"; 3) there is no realistic basis for the formulation of either directive plans or guidance plans. Considering the price management system, at present, out of the total social retail value of commodities, around 70 percent represents transactions carried out according to prices stipulated by the state; a little more than 4 percent represents transactions carried out solely according to market prices; and only a small proportion involves slight fluctuations around the prices stipulated by the state. The enterprises basically do not enjoy any power over setting prices. This method, characterized by the concentration of power in pricing management, is disadvantageous to the vigorous development of the production and exchange of commodities. In grasping the readjustment of the pricing system and the reform of the pricing management system, we should treat them as breakthroughs in putting economic relations in order. Of course, this work involves many different fields. We must organize the forces of various quarters to carry out in-depth research and to do repeated calculations; and we must work carefully.

Let us now discuss the question of wages. Over the past 30-odd years, increases in workers' wages in our country actually were not really incorporated into the comprehensive equilibrium of our national economy.

It was only when problems had grown to a critical magnitude, when changes became unavoidable, that some money was set aside with difficulty for wage readjustments. Since the 3d Plenary Session of the 11th CPC Central Committee, the state has provided large sums of money to make up for such "debts"; however, these payments were neither well planned nor in proper proportions, so that rises in workers' wages sometimes suddenly accelerated but sometimes slowed down abruptly. Moreover, if we judge from the development trend, compared with commodity prices which have risen despite the general trend of price stability, workers' wages have fallen despite the general trend of stable wages. The following table shows this point:

	1979-1983	1981-1983	1983
Increase in national income (billion yuan)	1,633	985	462
(I) Annual national income growth rate			
(percent)	6.9	7	9
Increase in total wages (billion yuan)	374.8	171.7	61.5
(II) Annual total wages growth rate			
(percent)	10.6	6.9	7
(1):(11)	1:1.54	1:0.98	1:0.78
(III) Average annual growth in labor			
productivity for all workers in			
industrial enterprises under ownership	2.2	2.4	
by the whole people	3.2	2.6	7.5
(IV) Average annual growth in workers'			
average wages (percent)	6.1	2.7	3.5
(III):(IV)	1:1.91	1:1.04	1:0.47

(Source: "Statistical Yearbook of China, 1983," pp 293, 485)

Generally speaking, the increase in the workers' total wages and the increase in the workers' average wages should be some fixed proportion of the increase in national income and the increase in labor productivity respectively. From the above table, it can be seen that over the past 5 years, the total workers' wages in our country and their average wages did grow too fast. The main reason for this problem was that growth in 1979 and 1980 was too fast. Nevertheless, during the 3 years preceding the sixth 5-year plan period, the situation of overly rapid growth was brought under control. In 1983, however, control over workers' wages was too tight; if the factor of rising prices is taken into account, the problem was even more serious. From 1978 to 1983, retail prices of goods in our country rose at an average annual rate of 2.7 percent. In 1983, they rose 1.5 percent even though the government adopted a series of relevant measures. Therefore, in our future wage system reforms, in light of the overall trend of rising prices of goods, we should really link increases in workers' wages to prive rises; this is a socioeconomic condition necessary for ensuring the smooth progress of the readjustment of prices of goods. Moreover, we should readjust irrational wage grades and carry out reforms to solve problems such as the overconcentration of management power. All these steps are necessary for putting in order relations between the state, the enterprise, and the individual.

The readjustment of prices of goods and wages and the reform of the wage system and pricing system are two matters of supreme importance in putting economic relations in order. They are directly related to the implementation of the law of value and the law of distribution according to work done.

Finally, let us discuss the questions of the relations of distribution of interests between the state and the state enterprises, and the question of reforms of the form of enterprise management by the state.

The substitution of taxes for profit delivery is currently an effective measure for perfecting the relations between state and enterprise. It can help ensure a steady fiscal revenue for the state. Its role in helping put economic relations in order is obvious. Moreover, it brings vitality to the enterprises, helping them develop economic activities. After paying taxes according to law, the enterprises can now reap greater benefits from their own additional profits, and these increased benefits can be used for technological transformation or for carrying out self-financed wage reforms. This improvement of overall social economic results furnishes a relaxing economic condition for putting economic relations in order. At present, the key question in improving economic results is the satisfactory "shifting of enterprises onto new paths and changing enterprises into new types of enterprises," with production-type management changing into production-and-operation-type management so that the enterprises can become socialist producers of commodites under the guidance of state planning. The concrete measures should be as follows: 1) economic responsibility systems practiced within the enterprises must be more rigorous. Various rules, regulations, and systems for unifying decisionmaking power, responsibility, and interests must be established and perfected. Inside the enterprises, practices of "eating out of the same big pot" must be ended. The quality of the enterprises must be improved on an overall scale. 2) The achievement of technological progress by the enterprises must be promoted. The old method whereby enterprise renewal compensation funds are provided by financial authorities through central planning must be reformed, so that enterprises can have the ability to carry out technological transformation. 3) Various measures must be adopted to reduce the consumption of materialized labor. 4) The enterprises must establish a sense of operation. They must plan production in light of social needs and market conditions, establish direct links between production and consumption, adopt many varied forms of operation, and vigorously develop marketable commodities. Other related measures include reorganizing and integrating enterprises, removing obstacles in circulation channels, and so on.

The steady increase of state fiscal revenue and the improvement of enterprises' economic results can help create vast room for maneuvers in putting economic relations in order and will also naturally help strengthen the "sustaining power" of economic development.

of course, completely putting economic relations in order amounts to an arduous and complicated task which depends on the overall reform of our economic system. Nevertheless, in order to gradually put economic relations in order, it is necessary at present to satisfactorily achieve macroeconomic equilibrium, to readjust prices of goods and wages, to readjust the relations of distribution of interests between state and enterprise, to change through reforms the forms of management -- currently marked by overconcentration -- of prices of goods, wages, and enterprises, and to improve economic results; these several important tasks can be accomplished through our efforts.

INVICORATION OF LARGE ENTERPRISES NECESSARY

HK301055 Beijing RENMIN RIBAO in Chinese 25 Oct 84 p 5

[Article by Shi Zengqi: "It Is All the More Necessary To Invigorate Large Enterprises]

[Text] Agriculture is flourishing now and small enterprises have also begun to flourish. However, most of our large enterprises have not been invigorated.

This is a question that should be urgently studied and solved. Large enterprises amass enormous state productive forces and control rich human, intellectual, material, and financial resources. Only by invigorating large enterprises will it be possible to make decisive progress in our urban economic reform.

With the exception of the few new chemical plants whose technology and equipment have been imported from abroad since the 1970's, most of our large chemical plants were set up in the 1950's and 60's, and some of them are old enterprises set up in the 1940's. In the past, because the state exercised excessive control over and took too much from the enterprises, their equipment is now generally backward; their production efficiency poor; equipment deterioration is serious; the depreciation rate low; and the debts resulting from the renewal or transformation of equipment heavier. Some of them find it so difficult to continue operating that the state must invest a large sum of money in order to help them pay their debts under the name of "restorative overhaul" and to continue simple reproduction. Most of the large chemical plants are also producers of basic industrial chemicals and agricultural production means, such as chemical fertilizer. They are also chiefly responsible for implementing mandatory state planning. The prices of their products are low, and they cannot flexibly readjust the prices of their products as small enterprises do. For this reason, although most large enterprises attain much better economic results than the small chemical plants do, they can only make little profit and lack the capabilities to carry out renovation and transformation and to develop.

The 3d Plenary Session of the 11th CPC Central Committee has shown to us clearly the way to invigorate large enterprises. So have the status of relatively independent commodity managers, they can also be invigorated. This makes it necessary for both the state and enterprises to exert their efforts. Here I would like to concentrate on the question of how the state should create conditions for the enterprises.

The most important thing now is to genuinely implement the State Council's 10-point provisional regulation further expanding the decisionmaking power of state-owned industrial enterprises and the specific regulations on transferring power to a lower level by various localities and departments and to genuinely deliver to the enterprises the rights that have been promised to them. It is reported that this issue is still far from being settled. In the future it is necessary to make great efforts to implement this policy in the enterprises one by one. This is a minimum condition for invigorating large enterprises.

In order to genuinely invigorate large enterprises, it is also necessary to carry out reforms of the planning and pricing systems so we can consciously rely on and apply the law of value in state planning. Naturally, it will take quite some time to realize this. As a start, I suggest carrying out planning and pricing reforms as follows:

First, with regard to various planned targets of large enterprises, including output, output value, profit, and cost, their general targets should in principle be changed into guidance planning. There should not fully utilize the production capacity of the enterprises producing according to guidance planning. It will be appropriate if the targets are fixed at about 90 percent of the guidance planning output so that enterprises can have some leeway. Under no circumstances should we drain the pond to get all the fish.

Take for example sodium carbonate, a product in extremely short supply. To enable the state to have sodium carbonate at its disposal, we may ask the enterprises to turn over to the state a portion in excess of mandatory planning. The price for this portion can be calculated according to the floating prices for products in excess of production targets. If we adopt this method and institute, as of next year, a contract system for the fulfillment of fixed production quotas under mandatory planning — which should remain unchanged for 3-5 years (if newly-built projects should go into production, the contracted quotas can be readjusted) — the enterprises are sure to vigorously develop their vitality and the earnings of the both the state and the enterprises will also increase. At the same time, while implementing the substitution of tax for profit delivery, enterprises can change the various general targets into guidance planning. This will also help overcome the current contradictions resulting from both localities and departments assigning tasks to enterprises.

Second, prices for products in extremely short supply, which are in excess of production quotas and which the enterprises are entitled to sell themselves, can also be free from restrictions subject to the approval of the departments in charge of trade and the pricing departments.

Third, it is within the microeconomic decisionmaking power of enterprises to make use of funds at their own disposal and bank credits in order to carry out technological innovation and transformation, and therefore they should be allowed to make their own decisions. There is no need for enterprises to obtain letters of approval from the government.

GUANGMING RIBAO ON SEEKING TRUTH FROM FACTS

BK301244 Beijing GUANGMING RIBAO in Chinese 24 Oct 84 p 1

[Article by Kuang Ping: "Two Third Plenary Sessions, One Ideological Line of Seeking Truth From Facts"]

[Text] The "Decision of the CPC Central Committee on Reform of the Economic System" adopted by the 3d Plenary Session of the 12th CPC Central Committee has drawn up a distinct, inspiring blueprint for reform of China's economic system, the reform of the industrial, communications, and commercial sectors in the cities in particular. If we put this blueprint into practice in a bold and down-to-earth manner, there will be a new leap in China's socialist construction and a completely newer situation in all fields of endeavor. Facts will indicate that like the 3d Plenary Session of the 11th CPC Central Committee, the 3d Plenary Session of the 12th CPC Central Committee was an event that deserves to be recorded in gold letters in the party's history.

The 3d Plenary Session of the 11th CPC Central Committee convened in December 1978 was a great turning point in the party's history since the PRC's founding. The important contribution of the session was highly contributive to the correction of the party's erroneous "leftist" guidelines which began in 1957 and reached their climax during the "Great Cultural Revolution," the restoration of the ideological line of seeking truth from facts, a line which our party has always adhered to; the reaffirmation of the Marxist political and organizational lines; the decision of shifting the focus of the party's work to economic construction; and the formulation of the task to reform the economic system. During the 5 years and more beginning with the 3d Plenary Session of the 11th CPC Central Committee, the red line which has been running through the various fields of party and state work is that of seeking truth from facts. In accordance with this fundamental Marxist principle -- seeking truth from facts -- our party has properly resolved many problems left over from history, implemented numerous policies, and readjusted relationships between man and man, thus enabling people throughout the country to plunge themselves into the four modernizations program with a happy frame of mind.

The adoption of the policy of opening to the outside world and invigorating the domestic economic in the economic sector has advanced the national economy rapidly. The introduction of the system of contracted responsibilities with payment linked to output and the successful conducting of various reforms in rural areas have especially put an end to the passive situation where China's agricultural production has been stagnant for more than 2 decades, thus bringing about a significant change that won the admiration of people both at home and abroad in China's countryside. All this has illustrated that once the ideological line of seeking truth from facts is grasped by the party and people, it will become a tremendous material force.

The positive meaning implied in the notion of seeking truth from facts is to emancipate one's mind and to study new developments and to solve new problems constantly. In other words, one must conduct reforms ceaselessly by proceeding from actual conditions. Essentially speaking, reform in China is aimed at smashing the longstanding rigid concepts about socialism that were not in keeping with actual conditions in China, changing ossified patterns that have proved unsuccessful in practice, and building socialism with Chinese characteristics in a down-to-earth manner by proceeding from China's national conditions and by means of summing up our own experiences, and drawing on the strong points and avoiding the shortcomings of others.

Like making revolution, in carrying out construction it is necessary to uphold the integration of Marxist principles with the realities of specific countries, to combine theory with preactice, to seek truth from facts, and to take a specific road. The reason previous "leftist" guidelines were erroneous lies, fundamentally speaking in their being divorced from realities in China and in their thorough violation of Marxism. The "decision" adopted by the 3d Plenary Session of the 12th CPC Central Committee is precisely the product of the ideological line of seeking truth from facts, a line formulated by the 3d Plenary Session of the 11th CPC Central Committee. Formulated entirely by proceeding from China's actual conditions, the "decision" is a blueprint full of enterprising spirit for carrying out economic system reforms. It smashed the "leftist" trammels on many issues, in such matters as the commodity economy and the law of value in particular, and made breakthroughs in both theoretical and policy matters. It is not only a reflection of socialist objective economic laws but also an indication of the historical experience of China's economic construction, its present situation, and the demands of its development. It has integrated Marxist principles with the realities of China, thus pointing out the orientation for establishing a dynamic socialist economic system which suits China's national conditions.

The two third plenary sessions have followed a Marxist line. All our great achievements after the 3d Plenary Session of the 11th CPC Central Committee in rural reforms and other fields of work have contributed to our endeavors to constantly overcome "leftist" obstructions and to adhere to the ideological line of seeking truth from facts. Similarly, to implement the spirit of the 3d Plenary Session of the 12th CPC Central Committee and to push urban reforms ahead, we should continue to continuously eradicate the influence of "leftist" ideology, adhere to the notion of seeking truth from facts, and emancipate our minds. Urban reforms are conducted in a broader range of sectors and in more thorough degrees. Compared with rural reforms, they are more arduous and more complicated and need more courage to conduct. Moreover, the "leftist" ideology and old traditional concepts still fetter people's minds and keep them from advancing. The most powerful weapon for eradicating "leftist" ideology and smashing old traditional concepts is seeking truth from facts, or formulating work principles by proceeding from the realities of specific localities or specific departments.

Practice is the only criterion for testing truth. The criterion for testing the successes and failures of reform is to see whether the practice of reform has promoted the development of the productive forces and whether it has helped the people become better off gradually. This is the fundamental task and aim of reform. Comrade Mao Zedong said: "In the last analysis, the impact, good or bad, great or small, of the policy and the practice of any Chinese political party upon the people depends on whether and how much it helps to develop their productive forces, and on whether it fetters or liberates these forces." ("Selected Works of Mao Zedong," Vol 3, p 1,079) Therefore, we should think of and do everything that helps develop the productive forces and should reform everything that hinders the development of productive forces so as to make it suit the development of productive forces.

The past 3 years of rural reforms beginning from the 3d Plenary Session of the 11th CPC Central Committee have significantly changed the face of the countryside. Significant success will also be achieved in urgan reforms within 3 to 5 years. It can be anticipated that 5 years hence, namely, by the 40th anniversary of the founding of the PRC, our motherland will emerge in the world's East with a completely new look characterized by overall economic prosperity, a general improvement in the people's livelihood, and the work in all fields being highly invigorated. We have these kinds of lofty aspirations and great ideals and have full hope and confidence in our future.

DOOR TO OPEN STILL WIDER TO OUTSIDE WORLD

HK280650 Beijing ZHONGGUO XINWEN SHE in Chinese 0919 GMT 25 Oct 84

["Roundup" by ZHONGGUO XINWEN SHE reporter Xu Hong: "There Are Broad Prospects for China's Foreign Economic and Techonological Cooperation"]

[Text] Beijing, 25 Oct (ZHONGGUO XINWEN SHE) -- Following the unfolding of the reform for the entire economic structure with a focus on cities, China will continue to relax its policy of opening to the outside world and carry it out still more flexibly, and will enormously increase its economic and technological cooperation and exchanges with foreign countries. Observers here came to this conclusion after reading the "Decision of the CPC Central Committee on Reform of the Economic Structure."

This developmental trend became apparent the moment China began experimenting with general administrative restructing in more than 50 cities. In the first half of this year, 172 joint ventures with Chinese and foreign investment were set up throughout country, almost equal to the total number of joint ventures set up in the past 5 years. Many of them are located in these cities. Since the beginning of this year, China has quickly opened new areas in coastal cities and inland provinces to foreign investments in addition to Guangdong and Fujian provinces, the four special economic zones, Guangzhou, Shanghai, Tianjin, and other cities. This is generally in line with the development of China's economic reform, which started in Guangdong and Fujian and has spread to various other localities.

News from various quarters before and after the convening of the 3d Plenary Session of the 12th CPC Central Committee says that policies related to the opening of the door to the outside world are being further readjusted hand in hand with urban reform:

-- China is considering giving greater power in carrying out foreign economic activities to provinces, autonomous regions, and municipalities directly under the central government, in addition to the 14 coastal ports and cities that are further opened to the outside world, and will directly delegate to them the power of inspecting and approving projects to be imported in the future.

In keeping with the principle of reform which aims to invigorate the enterprises, some large enterprises also will have decisionmaking power in carrying out economic activities with foreign countries.

- -- The departments concerned are studying readjusting the policy on income tax payable by enterprises invested in by foreign merchants in the 14 coastal ports and cities. It has been learned that these enterprises will be given still more preferential treatment.
- -- China has decided to yield part of the home market to foreign merchants in order to encourage them to come to China and set up joint ventures with Chinese partnership or establish enterprises with their sole investment. Most and even all of the products which are urgently needed for China's domestic construction and which require really advanced technology may be sold in China. The incomes the foreign merchants derive from the sales of their products in China may be calculated in terms of foreign currencies at the exchange reates on the international market. All profits may be remitted out of China.
- -- Various areas in enacting economic laws concerning foreigners are being improved. Laws on economic contracts involving foreign investment, joint ventures with Chinese and foreign investment, and enterprises operated with foreign investment are being made. Regulations on the compensated transfer of technologies and on the protection of intellectual property rights are also being made.

At the same time, the structure of foreign trade is being constructed actively following the principle of arousing the initiative in various fields and achieving unity in foreign trade.

Before the 3d Plenary Session of the 12th CPC Central Committee, Deng Xiaoping said: "The state policy of opening the door to the outside world should remain unchanged for at least 50 to 70 years. Even if it changes, it should only become more liberal." This spirit has been confirmed in the "Decision of the CPC Central Committee on Reform of the Economic Structure." The "Decision" reiterates the need to fully utilize the resources at home and abroad, to open the home and foreign markets, and to learn the skills of organizing domestic construction and developing foreign economic relations. It looks as though, with the reform of China's entire economic structure developing in depth, there will be still broader and more magnificent prospects for China's foreign economic activities.

NEW LEADERS OF PEOPLE'S ARMED POLICE FORCE NAMED

OW310009 Beijing Domestic Service in Mandarin 2230 GMT 27 Oct 84

[Text] The central authorities recently appointed (Li Lianxiu), commander, Liu Fuzhi, first political commissar, and Li Zhenjun, political commissar, of the Armed Police Force.

BEIJING TV SHOWS NUCLEAR SUBMARINES, MISSILES

HK300926 [Editorial Report] Beijing Domestic Television Service in Mandarin at 1100 GMT on 27 October during its regular evening news program carries a 1.5-minute film clip concerning the PRC Submarine Corps and its nuclear submarines. The report is in two segments: the first concerns a parade to mark the 30th founding anniversary of the Submarine Corps, and the second shows a PRC "nuclear submarine" launching a sea-to-air missile.

The first part focuses on "Fu Jize, deputy commander of the Navy and first commander of the Submarine Corps," attending a procession on the parade grounds of the PLA Navy's submarine academy to mark the 30th founding anniversary of the Submarine Corps.

Fu is shown in naval uniform saluting several hundred navymen on the academy parade grounds while they perform a march-past. The date of the meeting and the location of the submarine academy are not given.

The second segment shows several semisubmerged "nuclear submarines, which were designed and built by China," in unidentified waters. One nuclear submarine is shown submerging, a solid red stubby missile without markings is shown being injected into a launching tube, a navyman operating the periscope sights in on an unidentified vessel, a man presses a button on a control panel, and the missile is shown emerging from the water and becoming airborne.

There are no captions shown in the film clip. However, while the footage is shown the announcer reads a report filed by station reporter Huo Yan and correspondent Liu Shuren, which says in part: "The PLA Navy has ceremoniously commemorated the 30th founding anniversary of the Submarine Corps. Commemorative activities were held at the Submarine Academy of the Navy." "In the past few years Chinese-designed and Chinese-built nuclear submarines have been launched. The successful underwater test launching of guided missiles by our submarines is an important sign that our Navy is striding toward modernization. Our country has strategic nuclear deterrent capability at sea."

"In his speech delivered during the commemorative activities, Fu Jize, deputy commander of the Navy and first commander of the Submarine Corps, noted that in future wars, the maritime battlefront will be an important orientation [fang xiang] in resisting enemies invading our country. We must promote the uninterrupted modernization of our submarine equipment, let education and training occupy a strategic position, step up the pace of training qualified Submarine Corps personnel, strengthen battlefront construction, increase our combat effectiveness, and build our Submarine Corps into a maritime fighting force which is modernized, revolutionized and regularized."

SATELLITE EXHIBITION HELD IN SHANXI 25 OCT

HK270854 Taiyuan Shanxi Provincial Service in Mandarin 2300 GMT 25 Oct 84

[Text] An exhibition of China-made satellites was held at the Workers Palace in Taiyuan the afternoon of 25 October. It was jointly sponsored by the Research Institute for Space Technology under the Ministry of Astronautics Industry and the relevant departments of our province.

Comrade Wang Tingdong, a member of the provincial CPC Committee Standing Committee, presided over and spoke at the opening ceremony. Comrade Li Xiuren, deputy secretary of the provincial CPC Committee, cut the ribbon at the opening of the exhibition. Attending the ceremony were Wang Senhao, Ruan Bosheng, and other leading comrades of the provincial CPC Committee, People's Congress Standing Committee, People's Government, and the provincial CPPCC; Comrade (Hou Liangyou), deputy head of the scientific and technological department of the Research Institute for Space Technology under the Ministry of Astronautics Industry; and more than 800 people from all walks of life from the provincial capital.

From the exhibits on display, which include Dongfanghong No 1 and Advance No 1 physical detection satellites and a large number of photos, China's place as the fifth country able to independently manufacture and launch satellites can be seen. The technology of satellite recovery places our country third in the world, while the technology of salvo launch ranks her fourth. Meanwhile, our technology in carrier rockets has also ranks among the best in the world and our technology in satellite communications approaches the international level.

Our country has achieved brilliant successes in the astronautics industry, which attracts worldwide attention. Over the past 15 years China has successfully launched 16 satellites of different types. This is of great significance for accelerating China's socialist modernization.

INDUSTRIAL OUTPUT EXPECTED TO INCREASE THIS YEAR

OW301330 Beijing XINHUA in English 1142 GMT 30 Oct 84

[Text] Beijing, October 30 (XINHUA) -- China's industrial output this year is expected to top 693 billion yuan, up 12.5 percent on 1983, a press conference was told here this afternoon.

Ma An, a senior official of the State Statistical Bureau, said that 78.6 percent of this year's production target had been completed in the first three quarters of the year, also up 12.5 percent on the same period of 1983.

By the end of September, production targets had been exceeded for metal-cutting machine tools, hand tractors, industrial boilers, internal combustion engines, microcomputers and nine more of the 100 listed major industrial products. Output of 73 products including steel, caustic soda, plate glass and motor vehicles has fulfilled or overfulfilled 75 percent of the annual quotas. The January-September energy output was equivalent to 560 million tons of standard coal, 8.6 percent over the same 1983 period.

In the first nine months of this year output of such durable consumer goods as refrigerators, color TV sets, tape recorders, household washing machines and electric fans went up between 45 percent and 150 percent. More than 4,000 new varieties of products were made in textile and light industries, 65 percent of which have gone into serial production.

Productivity in state industrial enterprises rose 8.6 percent in the first three quarters of this year and their profits and taxes turned over to the state went up 12.3 percent. Those enterprises running at a loss reported a total loss 20.1 percent less than in the same period of 1983.

Despite these successes, power supply and communications remain strained, and some textile and light industrial products and a number of chemicals are overstocked.

INCREASE IN FOREIGN TRADE REPORTED FOR EARLY 1984

OW301432 Beijing XINHUA in English 1319 GMT 30 Oct 84

[Text] Beijing, October 20 (XINHUA) -- China's imports and exports in the first nine months of this year reached 37.37 billion U.S. dollars, 20.4 percent up on the same period of last year, with exports leading imports by 350 million U.S. dollars. These figures were released by Ma An, a senior official of the State Statistical Bureau, at a press conference here today.

There have been more exports of cereals, oils, tea, textile fibers, petroleum and petroleum products, light industrial goods and machines. Impacts al grain, cotton, edible oil and sugar have decreased, while those of timber, pulp, chemical fibers, iron ore and other raw materials, rolled steel, motor vehicles, television sets and chemical products have increased. Trade with Japan, Hong Kong and Macao, the United States, Australia, the ASEAN countries and the Soviet Union have expanded, the official said. China borrowed foreign loans totalling 980 million U.S. dollars in the first nine months of the year. Direct foreign investment made in China during the period came to 680 million U.S. dollars and China approved 239 joint ventures and co-management enterprises in the period, all much more than in the same period a year ago. During the same period, China received 9.03 million tourists from abroad, Hong Kong and Macao, 28.7 percent up on the same period of last year.

SPOKESMAN ANNOUNCES RECORD HARVEST YEAR

OW301252 Beijing XINHUA in English 1152 GMT 30 Oct 84

[Text] Beijing, October 30 (XINHUA) -- China's grain harvest this year is expected to reach a record 400 million tons, or 12.5 million tons over 1983, a spokesman for the State Statistical Bureau said here today. Cotton output is expected to increase nearly 20 percent to some 5.5 million tons, also a new record, Ma An, a senior official of the bureau, said.

He told reporters that the autumn grain harvest in northern China would likely be as good as last year, although crop acreage was reduced and part of the area suffered from natural disasters. Autumn-harvested rice in southern China promised to be better than in 1983. Production of wheat and other summer grains and early rice was 7.5 million tons more than last year's, he added.

Output of oil-bearing crops is estimated to increase over four percent, with output of rapeseed reduced and that of peanuts and sunflower seeds risen. Sugar-bearing crops, tobacco, jute, ambery and other cash crops will also show increases. Ma An attributed the good harvest to the adoption of the production responsibility systems in rural areas and the popularization of scientific farming. Generally favorable weather was also an important factor in the production increases. Continued rises were also expected for pork, beef, mutton, fresh milk, poultry and eggs, he added.

CUI NAIFU AT SHANXI MEETING ON CIVIL AFFAIRS

HK290941 Taiyuan Shanxi Provincial Service in Mandarin 2300 GMT 26 Oct 84

[Excerpts] The Ministry of Civil Affairs held an on-the-spot meeting yesterday [26 October] in Changzhi City on popularizing the experience of (Dongyi) Town, (Lucheng) Township, in improving the work of civil affairs, establishing economic entities, and assisting households that face financial difficulties to attain prosperity. Cui Naifu, minister of civil affairs; Zou Entong, vice minister of civil affairs; and Guo Yuhuai, vice governor, as well as over 200 representatives from 26 provinces, regions, and cities throughout China attended the meeting. In the past, (Dongyi) Town of (Lucheng) Township lived solely on an agricultural economy, and earned limited income. In addition, the people's living standard was very low. But in the second half of last year, (Shen Hairen), head of the town department for civil affairs established a service center for providing assistance for households. It served some 200 households at that time.

Since the beginning of this year, the company has increased its number of households served to above 300, and expanded its scope of business.

In addition, it has introduced a series of management systems for internal administration, such as the contract system, and the award and punishment system. By the end of July, it earned more than 100,000 yuan in profit, reaching a per capita income of 470 yuan.

When the Ministry of Civil Affairs popularized the experience of (Dongyi) Town of (Lucheng) Township, it pointed out: The experience of (Dongyi) Town is a significant breakthrough in civil affairs work under the new situation, as well as an issue that shows the direction for mobilizing the social force, through economic means, to do well in civil affairs work.

MILITARY INDUSTRY MAKES GOODS FOR CIVILIAN USE

OW291358 Beijing Domestic Service in Mandarin 0200 GMT 29 Oct 84

[Text] According to a JIEFANGJUN BAO report, the Ministry of Ordnance Industry has implemented a policy of combining production of goods for military and civilian needs. In an effort to develop civilian products, it has worked enthusiastically to manufacture and market machines for processing farm produce and equipment for food packaging. Statistics from some of the enterprises under the ministry reveal they have developed and produced more than a dozen kinds of machines and equipment for processing farm produce since 1980. The machines and equipment have been sold to cities and villages of more than 20 provinces and municipalities within our country and are well received by numerous users. In this regard, JIEFANGJUN BAO carries a short commentary that points out:

In view of the urgent need for agricultural processing machines, certain factories and enterprises under the Ministry of Ordnance Industry have made all-out efforts to develop machines for processing farm and sideline products and equipment for food packaging. They have taken a good farsighted step to invigorate their own operations and to support the local farm and sideline products processing industry.

At present the farm and sideline products processing industry in our country is still very small scale with a relatively limited capacity. According to United Nations statistics, in 1980 the food industry of the United States and Japan had an average per-capita production value of some \$1,000. In our country, the per-capita production value of the food industry averaged only \$41 in 1981.

Practice has shown that farm and sideline products, after crude and fine processing, are easy to store and transport and have a higher value. According to studies by economic experts, when crude grain is processed and byproducts turned out for various uses, not only can its nutritional contents be utilized fully, but the economic value of the grain is raised to an extent somewhere between 2 to 11 times its original value. Positive efforts should be made to develop equipment for processing farm and sideline products so as to support the promotion of the farm and sideline products processing industry in the vast countryside. This is of great importance in alleviating the burden on the state caused by the heavy work of storage and transportation of farm and sideline products, increasing national economic income, bringing about a steady development of agriculture, and assisting the peasants to become well off as early as possible. In wartime, the farm and sideline products processing industry can make greater contributions to military production. That is why we say that the Ministry of Ordance Industry has taken a correct step — it has done a very good thing in the interest of the state, the people, and also the Army.

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SHANDONG'S LIANG ON PEOPLE'S CONGRESS WORK

SK310538 Jinan DAZHONG RIBAO in Chinese 13 Oct 84 p 2

["Excerpts" of a "written speech" given by Liang Buting, secretary of the Shandong Provincial CPC Committee, at a meeting to exchange experience in the work of city and county people's congress standing committees on 12 October, entitled "Emancipate the Mind, Unite As One, and Open Up a New Situation in the Work of the People's Congresses of Our Province"]

[Excerpts] Comrades: The meeting to exchange experience in the work of the province's city and county (district) People's Congress Standing Committees opened today. This meeting has been convened under the excellent situation of economic system reform and opening to the outside world. At this meeting, we will study the CPC Central Committee's documents concerning the People's Congress work and the several important speeches by Comrade Peng Zhen, and sum up and exchange experience regarding the People's Congress Standing Committees of the province. The success of this meeting is very significant to the creation of a new situation in the People's Congress work of our province.

1. We should conscientiously study the Constitution and relevant laws to understand further the important role and function of local People's Congress Standing Committees.

Setting up Standing Committees of local People's Congresses at various levels is an important reform of our country's building of political power; an important guarantee for realizing socialist democracy, improving the socialist legal system, and promoting socialist modernization; and a fundamental measure for ensuring enduring order and stability in our country. Through propaganda and education and the performance of the work of People's Congress Standing Committees over the past few years, leading persons at all levels and the masses of cadres have enhanced their understanding regarding the Standing Committees of the People's Congresses at various levels, and these Standing Committees have enjoyed certain prestige among the masses. We should point out, however, that because of the influence of "leftist" ideas and old habits, people have not reached a complete understanding regarding the important role and function of the Standing Committees of local People's Congresses.

Why should we establish Standing Committees of local People's Congresses? In the past, when Standing Committees were not established in local People's Congresses, the People's Government at correspondeing levels performed the responsibilities and powers of the permanent organizations of the People's Congresses when the congresses were not in session. Such a method of making one organization draw up and enforce the law, which is a defect, obscured the demarcation line between legislation and enforcement of the law and between exercising supervision and being supervised, and confused the restrictive relationship of these two aspects. This not only impeded the regular and effective realization of the power to administer the country by the People's Congress deputies but also was harmful to the building of local state power. Since the 3d Plenary Session of the 11th CPC Central Committee, the party and the state have earnestly summed up experience in building political power and the lessons of the "Great Cultural Revolution" and, in order to improve the People's Congress system, decided that Standing Committees should be set up in the People's Congresses at and above the county level. This has enabled the People's Congress Standing Committees and government to share, as organs of power and organs of administration, in functions which used to be performed by the People's Governments alone, and has put the People's Governments under the supervision of the people, thus ensuring that the people hold state power. This is very significant to the establishment of a highly democratic socialist political system and to stability and unity of the state.

The People's Governments, courts, and procuratorates at all levels should respect the legal status of People's Congress Standing Committees and take the initiative in accepting their supervision.

Generally speaking, governments, courts, and procuratorates at all levels in the province have done a good tob in accepting the supervision of the People's Congress Standing Committees at the levels. A few of them, however, have not done very well. The People's Governments, as executive organs of local organs of state power, and the courts and procuratorates, as judicial organs of the people, should, of course, accept the supervision of the People's Congresses and their Standing Committees at the same levels. This is a principle that should not be implemented carelessly; still less should it be left unimplemented for fear of trouble. Governments, courts, and procuratorates at all levels should further set to rights and put into order their relations to People's Congress Standing Committees, and take more initiative in accepting their supervision. They should be responsible for and conscientiously deal with the problems on which they report to People's Congress Standing Committees. They should also organize the people to conscientiously implement the resolutions and decisions adopted at People's Congresses or People's Congress Standing Committees, and give reports on their implementation. They should earnestly handle and give timely replies to the proposals, criticisms, and suggestions put forward by the people's deputies. When discussing major problems, People's Governments, courts, procuratorates, and the departments subordinate to governments should notify the responsible comrades of the work committees of People's Congress Standing Committees to participate. They should send to People's Congress Standing Committees copies of the important documents they have decided on so that the Standing Committees can understand the situation in a timely manner. This is conducive to the performance of work.

3. Standing Committees of People's Congresses at various levels should exert great efforts to improve legality and promote the revitalization of our province's economy.

Our party and state have entered a new period of historical development. The new period has set new demands on all fronts, and therefore on the work of People's Congress Standing Committees. How should the work of the People's Congress Standing Committees meet the demands of the new situation? The most important thing is to correct the guiding ideology for professional work in order to make the work submit to and serve the general task and general objective of the four modernizations. In line with the strategic plans of the CPC Central Committee, the fourth provincial party congress made a decision on quadrupling the industrial and agricultural output value by the year 2000 and striving to double it by the year 1990. In order to guarantee the implementation of this decision, the provincial CPC Committee, proceeding from reality, set forth a goal of striving to prefulfill the "Sixth 5-Year" Plan by 1 year and the target of doubling the industrial and agricultural output value by 1 year. The fulfillment of this goal has a bearing on the vital interest of the people of the province. The provincial, city, and county (district) People's Congress Standing Committees should further improve socialist democracy and legality by focusing on the central task of prefulfilling the target of doubling the industrial and agricultural output value, and make contributions to the revitalization of our province's economy and to the "prosperity of the people and Shandong Province."

The province is now facing a new situation of reform and opening to the outside world. This requires us to formulate necessary local laws and regulations as soon as possible, and fully use legal means to protect and promote the smooth progress of reform and opening to the outside world. In particular, after opening Qingdao and Yantai Cities of our province to the outside world, relevant local laws and resolutions are needed to guarantee the smooth development of opening to the outside world.

The provincial People's Congress Standing Committee should join the provincial government in stepping up this work. In the meantime, it should sort out and analyze the local laws and regulations formulated in the past and abolish or revise those which do not meet the needs of the economic development of the new period so that they can suit the needs of economic construction.

4. CPC committees at all levels should attach importance to and support the work of People's Congress Standing Committees and continuously improve the work methods and workstyle of the leading party groups of People's Congress Standing Committees.

In line with the instruction of the central authorities and the many years of practice in our province, CPC committees should successfully carry out the following work in order to strengthen leadership over People's Congress Standing Committees and attach importance to and support their work:

- 1. CPC committees at all levels should conscientiously study the CPC Central Committee's relevant documents and the several important speeches of Comrade Peng Zhen, thoroughly study the Constitution in the course of party rectification to enhance understanding of the legal system, strengthen leadership, in a down-to-earth manner, over People's Congress Standing Committees, and attach importance to and support their work.
- Issues which, as stipulated by the Constitution and the laws, should be discussed and decided on by People's Congresses or their Standing Committees should be handled accordingly and then be handed over to governments, courts, and procuratorates for implementation.
- 3. CPC Committees should act strictly according to the procedures stipulated by the Constitution and the laws when appointing and removing leading persons of local state organs. Personnel appointments and removals are an important and legally endowed power of People's Congress Standing Committees. People's deputies and members of People's Congress Standing Committees have the right to air different views regarding the cadres who should be elected by People's Congresses and those whose appointments and removals should be decided on by People's Congress Standing Committees. CPC committees should fully respect their democratic rights. No organizations or individuals are permitted to "give names for election" or forcibly ask for a guarantee for approval.
- 4. People's Congress Standing Committees should be further strengthened organizationally. The establishment of work organs and the installation of their personnel on the part of city and county (district) People's Congress Standing Committees should be improved and replenished in line with the circular of the province. In the special areas where there are no permanent organs of People's Congresses, work organs staffed by three to five persons should be set up, and they should carry out their work under the leadership of prefectural CPC settees. At the same time, city and county CPC committees should help People's Congress Standing Committees solve their practical problems properly so that they can do their work smoothly.
- 5. Leading party groups of People's Congress Standing Committees should respect nonparty persons and should be good at working with them cooperatively.

SHANDONG CONDUCTS EDUCATION ON FACTIONALISM

SK310451 Jinan DAZHONG RIBAO in Chinese 17 Oct 84 p 1

[Excerpt] In conducting the education on negating the "Great Cultural Revolution" and eliminating factionalism, leading cadres of the leading party group of the provincial Agricultural Department persistently took the lead in emphatically solving the problems of "one faction is correct while the other is "wrong" and "consistent correctness," and aroused the broad masses of party members and cadres to eliminate factionalism and to enhance unity so as to bring about a deep progress in the party rectification work.

The provincial Agricultural Department was a serious victim during the "Great Cultural Revolution." Over a long period, two factional mass organizations formed during the "Great Cultural Revolution", were regarded as "one is correct while the other is wrong." There are great contradictions and deep misunderstanding between these two factions. After the third plenum, the majority of comrades gave up factionalism. But a few comrades still failed to eliminate their ideological factionalism. After carrying out the party rectification work, the leading party group of the Agricultural Department for a long period of time conducted the education on negating the "Great Cultural Revolution" and eliminating factionalism among party members. The department theoretically and generally corrected some comrades' misunderstanding about the "Great Cultural Revolution" and factionalism. However, while talking about the specific situation of the department during the "Great Cultural Revolution," some comrades again held that the two factions had both strong and weak points and that both had rights and wrongs. Factionalism continued to assert itself at a crucial moment.

The leading party group of the Agricultural Department conscientiously summed up its experience and lessons gained from previously conducting the education on negating the "Great Cultural Revolution" and eliminating factionalism. It held that it must proceed from its own actual conditions to conduct the education on thoroughly negating the "Great Cultural Revolution" and eliminating factionalism, attend to key issue on negating "one faction is right while the other is wrong" and "consistent correctness." In line with the actual conditions in the "Great Cultural Revolution," and with the leadership of the leading cadres, good results will be scored in the education. After correcting their misunderstanding, they will be able to arouse a large group of people to promote solving the problems in factionalism. Only when we solve the crucial problem of "one faction is right and the other is wrong," will the comrades be convinced, sum up the experience and lessons gained during the "Great Cultural Revolution,' eliminate factionalism, and enhance unity.

In this regard, the leading party group of the provincial Agricultural Department, based on the general education on negating "Great Cultural Revolution" and eliminating factionalism among party members, decided to conduct specially the education for a period of time among cadres at and above the section level, including retired cadres by releasing them from work so as to center on solving the problem concerning whether or not there was a right faction during the "Great Cultural Revolution." The leading party group of the department guided them to review the department's whole situation during the "Great Cultural Revolution." Especially through reviewing the major points and key affairs of the "Great Cultural Revolution" and their individual ideological manifestations, the leading party group, based on the "resolutions" of the sixth plenum, decided to compare, examine, and judge the problems concerning right and wrong and to sum up experience and lessons. In accordance with the issues put forward by the comrades during their study period, the leading party group organized discussion meetings on special subjects and meetings on exchanging typical experiences. Through discussions, the leading party group stressed putting an end to the habits, handed down by the "Great Culural Revolution", of arbitrarily regarding everything as a matter of principle and two-line struggle and arbitrarily putting labels on others. The people should speak from the bottom of their hearts, tell the truth and speak out what they know. We will not find fault with them even if they say something wrong. The leading party group of the department also enthusiastically encouraged heart-to-heart talks and urged leading cadres to set an example of maintaining unity and to actively get rid of hang-ups and misunderstanding.

STATE COUNCIL APPROVES SHANDONG ECONOMIC PLAN

OW300954 Beijing XINHUA Domestic Service in Chinese 0840 GMT 29 Oct 84

[Text] Beijing, 29 Oct (XINHUA) -- On 29 October the State Council gave a reply in writing to Shandong Province regarding its "Report on Plans To Go a Step Further in Opening Qingdao and Yantai Cities to the Outside World and To Establish Economic and Technical Development Zones in the Two Cities."

The State Council reply says: In going a step further in opening to the outside world, Qingdao and Yantai, two major seaport cities along our country's east coast, should proceed from the position of striving to attain the goal of quadrupling the gross annual value of industrial and agricultural production before the end of the century and make great efforts to raise their levels of production management and technique. On the basis of making full use of their local favorable conditions, they should develop a number of marketable, highly competitive quality products. They should link their own development with that of their adjacent areas, bring their role as key cities into full play, and serve the socialist modernization drive in Shandong Province and the rest of the country.

The reply agrees that while effectively carrying out the technical transformation of existing enterprises, the two cities may establish economic and technical development zones in a planned and systematic way. Qingdao City's economic and technical development zone will be located in areas east of the planned Jiaoxian-Guzheng railroad, west of Yantaidum, south of Qianwan Gang, and north of Tangdao Wan. Yantai City's economic and technical economic development zone will be situated in an area west of Ping He near Fulai Shan, east of Liulin He, north of Liuzi He, and south of the coastline.

The reply calls for the two cities to develop tourism vigorously by making full use of their rich resources, to build a number of tourist and service facilities in a planned way, to increase the production and supply of goods for tourists, to raise service quality and the managerial level in tourism, and to attract more tourists through various channels. Taking into consideration the requirements for opening to the outside world and reinvigorating the domestic economy, the two cities should produce high-, middle-, and low-grade products simultaneously in order to meet the needs of people in various circles and to improve economic results.

The reply expresses the hope that all State Council departments concerned will give vigorous support to the two cities in going a step further in opening to the outside world. They should give guidance to and coordinate the two cities in planning for economic development and help them carry out such plans. As for such basic projects as the construction of harbors, airports, railroads, post and telecommunications, powerplants, and water supply facilities, which have been included in the 1985 state plan and the Seventh 5-Year Plan, relevant departments should make concerted efforts with the two cities to speed up the progress of such construction in order to complete the projects ahead of time. In the interest of balance, consideration should be given to arrangements for building projects that should be built but have not been included in the state plan. The two cities may also raise funds themselves to build projects after obtaining approval according to procedures prescribed in state regulations.

GUANGDONG DEMANDS READJUSTMENT OF LEADING BODIES

HK301528 Guangzhou Guangdong Provincial Service in Mandarin 1000 GMT 27 Oct 84

[Text] At a provincial work forum on building leading bodies of the province's enterprises, which concluded this morning, responsible comrades of the departments concerned of the provincial CPC Committee demanded that all localities do a good job in the four transformations of the leading bodies of enterprises. Although the leading bodies of some enterprises in the province have been readjusted, their educational level is still low, their average age has not been made younger, the number of staff has been greatly reduced, and the number of cadres with an enterprising spirit is insignificant.

At the provincial work forum the provincial CPC Committee demanded an urgent change in the above situation and put forward suggestions on readjusting and building the leading bodies of the province's large and medium-sized enterprises. The provincial CPC Committee demanded that factory directors and factory party secretaries of key, large and medium-sized enterprises should have higher education or above; two-thirds of the deputy factory directors and deputy factory party secretaries of these enterprises should have higher education or above and relevant professional knowledge; and the average age of members of leading bodies should be under 45. In principle, large and medium-sized enterprises should meet the central authorities' requirements on key enterprises, and if they have difficulties in complying with the requirements, at least one factory director or party secretary should acquire a higher educational level, but the requirements on the average age and professional knowledge should remain unchanged. Key enterprises at the city and prefectural levels should carry our readjustment in line with the requirements set on key, large and medium-sized enterprises; and small enterprises at the county level can proceed from their actual conditions in selecting for their leading bodies persons who have comparatively high education, and one-third of young members of the leading bodies should have a secondary or senior high school education.

The provincial CPC Committee stressed: Leaders of enterprises should be deeply conscious of the righteousness of their cause and follow the criteria of the central authorities in selecting knowledgeable and capable young people who are bold in creating new things and carrying out reforms so as to select successors for further opening to the outside world, enlivening the econmy, and speeding up urban reform.

GUANGDONG CIRCULAR ON PORNOGRAPHIC VIDEOTAPES

HK301020 Guangzhou Guangdong Provincial Service in Mandarin 1000 GMT 29 Oct 84

[Text] The Guangdong Provincial Culture Department recently issued a circular on the showing of unlawfully imported pornographic videotapes in Yangchun and Yangjiang Countiles.

The circular reiterates: In accordance with the relevant regulations of the central authorities and the provinces, culture departments at all levels must strictly prohibit the importing, reproduction, sale, and playing of reactionary pornographic and obscene audio and videotapes. They must supervise their subordinate videotape showing points. When offenders are discovered, they must be sternly dealt with.

STATE COUNCIL APPROVES GUANGDONG DEVELOPMENT PLAN

HK310850 Guangzhou Guangdong Provincial Service in Mandarin 1000 GMT 30 Oct 84

[Text] The Guangzhou People's Government held a meeting at the provincial Government Hall this morning [30 October] to announce the State Council's approval of the overall plan for the development of the city. The meeting called on all units and the masses to intensively study the plan.

Present at the meeting were Liang Lingguang, Zhong Ming, Ye Xuanping, (Shi Yuanxu), and other leaders of the province, Guangzhou City and the military units, as well as comrades in charge of the departments concerned. The meeting conveyed written instructions made by the State Council and the provincial People's Government on the overall plan for the development of Guangzhou City and gave an account of the plan. Governor Liang Lingguang and Ye Xuanping, mayor of Guangzhou City, spoke at the meeting. Governor Liang Lingguang said: The State Council's approval of the overall plan for the development of Guangzhou City is a great event in the history of the city's urban construction. The State Council has made explicit instructions on the nature of the city and the scope and orientation of its development. These instructions clearly show us what we should strive for in the city's urban construction. From now on, the city's urban construction and its development in all fields should accord with and reflect the overall plan.

It has been learned that a special meeting is now being held in Guangzhou to study effective measures to implement the plan, to work out practical programs for short-term construction and the development of some special projects, and to establish and perfect rules and regulations for urban construction.

HUBEI PARTY ORGANS NEGATE CULTURAL REVOLUTION

HK301502 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 28 Oct 84

[Text] In the process of party rectification, organs of the provincial CPC Committee Organization Department, in connection with reality, are carrying out in-depth education on thoroughly negating the Cultural Revolution to eliminate its pernicious influence on organizational work and the cadre ranks. Through studying documents, presenting their own deeds, and weeding out perniciousness, they held that the leftist influence of the Cultural Revolution is still seriously hindering the in-depth development of organizational and cadre work. The main problem is that the ideological influence of taking class struggle as the key link, giving prominence to politics, and leftism being better than rightism has not yet been thoroughly eradicated. The problem of looking down upon knowledge and intellectuals has not yet been thoroughly resolved. Some people still pay less attention to intellectuals and dare not promote them. Factionalism is still influencing some people in promoting and employing cadres and in admitting people to the party. They fail to treat intellectuals equally without discrimination and [words indistinct].

Through study and education, comrades of the organs under the Organization Department of the provincial CPC Committee have further realized the harmfulness caused by the Cultural Revolution on organizational work and the influence which should be eliminated at present. They are resolved to thoroughly negate the Cultural Revolution in theory and practice and completely shift organizational work to the orbit centered on the four modernizations so that organizational work can better serve the general target and task of the four modernizations.

HUBEI TO RECRUIT MORE INTELLECTUALS INTO PARTY

HK301349 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 26 Oct 84

[Recorded speech by (Zhong Shuqiao), deputy director of the Organizational Department of the Hubei Provincial CPC Committee: "Eradicate Leftist Influence and Take Real Action To Remove Obstacles to Intellectuals Joining the Party"]

[Excerpts] In constantly eradicating leftist influence and recruiting intellectuals into the party, the party organizations at all levels in our province have achieved relatively great success since the 3d Plenary Session of the 1lth CPC Central Committee. The proportion of intellectuals in new party members has gradually increased: The percentage has risen from 8.2 percent in 1978 to 30.4 percent in the first half of this year. However, we must be aware that the problem of difficulties existing for intellectuals in joining the party so far has not yet been properly solved in some units; and the normal development of the party has been affected mainly because leftist ideology and prejudice against intellectuals still dominates some comrades' minds while other comrades do not have a clear understanding of the position and role of intellectuals. In order to solve the problem of difficulties existing for intellectuals in joining the party, we must concentrate our attention on three aspects at present.

First, it is necessary to continue to eradicate leftist influence and enhance our understanding of the necessity of recruiting into the party the understanding intellectuals that are ready to devote themselves to the socialist and communist cause. Following the development of productive forces and the progress in science and technology, knowledge has become a more and more important motive force to the development of production. Intellectuals are playing an essential role in the four modernizations. At present, the party members with the post-secondary educational level or above only account for 3.3 percent of all party members in our province. These party members together with those who have received secondary technical education make up 7.2 percent of all party members. Such a status quo absolutely cannot keep abreast of our party's mission in the new period nor of the requirements for Hubei Province set by central leading comrades who hope the province will lead other provinces in the four modernizations. The 3d Plenary Session of the 12th CPC Central Committee has adopted the resolution on the reform of the economic structures. This document is a program to guide the reform in our country's economic structures. We must respond to the country's call; conscientiously study the document; carry out the reform in earnest; try our best to recruit new party members among qualified management personnel who, equipped with the economic and technological knowledge of modern times and actuated by the pioneer spirit, are brave in blazing new trails and have the potential to make a breakthrough; fulfill the task set forth in the resolution on promoting new people and fostering an enormous contingent of socialist-minded economic administrative cadres; and more efficiently carry out the party's general goal and general task.

Second, it is necessary to conscientiously educate and foster those intellectuals who intend to apply for CPC membership.

Third, it is necessary to strengthen examination and supervision of work and give specific guidance. While keeping in mind the urgency of recruitment of intellectuals into the party, we must adopt a serious and conscientious attitude and make sure that only those who meet the set requirements are admitted into the party.

By and large, we must send people to help solve problems in those units where it is difficult for intellectuals to join the party. Our organizational departments at all levels must serve as good consultants to their respective party committees and must do a good job in making contributions to recruitment of more intellectuals into the party in our province.

HUNAN COMMENTARY ON NEED TO STUDY REFORM

HK301426 Changsha Hunan Provincial Service in Mandarin 1100 GMT 27 Oct 84

[Station commentary: "Conscientiously Study the Theory, Policy of Reform"]

[Excerpts] At present the province's broad cadres and masses are conscientiously studying documents of the 3d Plenary Session of the 12th CPC Central Committee. In order to study in a down-to-earth manner and to achieve practical results, we must discard the formalist way of studying, such as making known one position. We must closely integrate study with reality and fully understand the spirit and essence of the documents. We must also strive to master the theory and policy of reform.

Following the 3d Plenary Session of the 11th CPC Central Committee, China first introduced reform in the rural areas, and has scored remarkable successes. This tide of reform has in turn influenced the urban areas, industry, commerce, as well as other trades. The development of patterns of reform thus gives rise to a number of important problems on theory and practice, which require us to give correct solutions. At the same time, indeed, the situation also requires us to give guidance in connection with how to lead the in-depth development of urban reform and how to succeed in the economic structure reform as a whole. It is precisely in line with the principle of seeking truth from facts and integrating theory with practice that the CPC Central Committee made decisions on the economic structural reform. Proceeding from the high plane of theory, the CPC Central Committee has conscientiously summed up the experiences of China in socialist economic construction the past 35 years, particularly since the 3d Plenary Session of the 11th CPC Central Committee. Meanwhile, it has also formulated from the high plane of policy a scientific blueprint of economic structural reform for China as a whole. Therefore, the resolution of the 3d Plenary Session of the 12th CPC Central Committee embodies both the abundant, meticulous Marxist political economy as well as the theory of scientific socialism and the spirit of policies on building a socialist economic structure with Chinese characteristics. When we study, we must spare no efforts in mastering the content of theory and the spirit of policy.

In order to study well the documents of the 3d Plenary Session of the 12th CPC Central Committee and to master the theory and policy of reform, we must closely integrate our ideological reality with the reality of reform.

In the period before the 3d Plenary Session of the 11th CPC Central Committee was held, because of protracted influence of leftist thinking, some comrades developed a kind of fixed or ossified thinking on some theoretical and practical problems, particularly on socialism. This kind of ossified thinking still lives in the minds of some comrades at present. For instance, whenever we mention the law of value and the commodity economy, some comrades suspect these as capitalist moves. As another example, some comrades do not always understand the new things that emerge in the course of reform. This shows that some comrades still have many confused ideas on theory. Even though they have learned some theories, their understanding is just superficial.

When studying the documents the 3d Plenary Session of the 12th CPC Central Committee, we must integrate it with the reality of these areas, as well as the experience of our work, so as to find the difference between the ideological theory and the concept of policy and to gain a deeper understanding of socialism. Thus we can heighten our level of theory and policy.

The most important point for studying well the documents of the 3d Plenary Session of the 12th CPC Central Committee and mastering the theory and policy of reform is to organize well the study work of leading cadres at various levels, as well as party members. So long as the leading cadres at various levels have studied well and really understand and master the theory and policy of reform, they can lay a good foundation of ideological theory for planning their units' next step of specific reform measures. Likewise they can lead the party members and masses to promote the undertaking of reform. Therefore, leading cadres at various levels should study, master and propatage well the theory and policy of reform so as to ensure that the urban economic structural reform will be carried out smoothly.

HUNAN MEETING STUDIES ROLE OF RETIRED CADRES

HK301001 Changsha Hunan Provincial Service in Mandarin 1100 GMT 29 Oct 84

[Excerpts] The 6-day Hunan provincial meeting to exchange experiences in giving play to the role of retired veteran cadres ended in Changsha today. The meeting urged the party organizations at all levels to show concern for retired veteran cadres and called on all retired veteran cadres throughout the province to act as promoters of reform and make their contributions to the revitalization of Hunan's economy.

During the meeting, all the members of the Standing Committee of the provincial CPC Committee and other provincial leading comrades staying in Changsha called on the veteran cadres participating in the meeting and had their photographs taken with them.

The delegates participating in the meeting have set forth a proposal to all the retired veteran cadres throughout the province, urging them to make contributions to the revitalization of Hunan's economy.

During the meeting, the participants summed up the achievements that retired cadres in the province had made in playing their due roles. While extensively exchanging their work experiences, they deliberated on how to make fuller use of the knowledge and experience of old comrades and to enable them to make their contributions to speeding up the reform of the economic structure and rejuvenating Hunan Province. Twenty-seven old comrades delivered oral or written speeches at the meeting.

The participants held that this meeting, convened soon after the 3d Plenary Session of the 12th CPC Central Committee, was of particularly great significance.

The meeting demanded that CPC committees at all levels and organizational departments, personnel departments, and departments in charge of affairs concerning old cadres adopt a correct guiding ideology in accordance with the needs of the reform, constantly study and deal with all new circumstances and new problems respecting the role of old comrades, and sum up fresh experience, so as to perfect their work in bringing the role of old comrades into full play.

SICHUAN MEETING PROMOTES ECONOMIC COOPERATION

HK301339 Chengdu SICHUAN RIBAO in Chinese 10 Oct 84 p 1

[Report Ai Feng: "Sichuan Provincial Government Holds a Provincial Telephone Conference for Promoting Economic and Technological Cooperation and Mutual Support Between Counterpart Organizations"]

[Text] The provincial People's Government held a telephone meeting throughout the province for promoting economic and technological cooperation and mutual support between counterpart organizations. The meeting conveyed and implemented the spirit of the national conference for promoting economic and technological cooperation and mutual support between counterpart organizations, which was held in Tianjin in mid-September. It called for creating a new situation in economic and technological cooperation in our province as quickly as possible.

While conveying the spirit of the national conference, Vice Governor Jiang Minkuan said: The party Central Committee and the State Council attach great importance to the Tianjin conference and many central leading comrades made important speeches at the meeting. The Tianjin conference called for promoting economic and technological cooperation and mutual support between counterpart organizations in the spirit of reform and for making every effort to create a new situation in this field. Economic and technological cooperation is an important component part of China's socialist planned economy and is the only way for the development of our country's economy. In promoting economic and technological cooperation, we should develop our strong points and avoid weak points and adhere to the principle of mutual benefit and mutual support so as to advance hand in hand. Meanwhile, we should stick to the principle of voluntariness and minimize administrative interference as much as possible.

The provincial telephone conference summed up the province's achievements and current situation in economic and technological cooperation and made arrangements for future tasks in this aspect. Over the past 2 years, our province has reached agreement with other provinces and cities on more than 1,000 projects; over 50 of which have come into operation. Meanwhile, the province also absorbed about 130 million yuan of foreign funds, accounting for nearly 30 percent of the province's total investment in local capital construction. There have also been more than 200 projects for technological cooperation and cooperation in trade and commerce, amounting to more than 400 million yuan. But generally speaking, our province started late in this field of work and still has a long way to go. The telephone conference pointed out: 1) All lcoal authorities should conscientiously study and implement the spirit of speeches made by the central leading comrades at the Tianjin conference. 2) Efforts should be made to work out next year's plans for promoting economic and technological cooperation and mutual support between counterpart organizations. Based on our advantages, we should make the focal points stand out and pay attention to socio-economic results. 3) Continuous efforts should be made to put into operation the projects which will be built in cooperation with other provinces and cities and to organize a group of keen witted and capable persons to take responsibility for the work. 4) We should strengthen leadership and do a good job of coordination and service work.

Comrade Jiang Minkuan said in conclusion: Leaders at all levels should further emancipate their minds for promoting economic and technological cooperation, institute flexible policies, transfer power to lower levels, break the bounds of different areas and trades, and give strong support to different types of coordination and cooperation at the grassroots level so as to make the people rich and improve the economic position of our province as quickly as possible.

The meeting was presided over by Feng Xingyu, head of the Provincial Office for Promoting Economic and Technological Cooperation. More than 150 people attended it. They included responsible comrades of the relevant departments at the provincial level, comrades in charge of prefectures, cities, and autonomous prefectures, and comrades responsible for the Provincial Planning Committee, Economic Committee, Nationalities Affairs Committee, Office of Commerce and Trade, and the Provincial Bureau of Materials and Equipment.

YUNNAN ISSUES CIRCULAR ON EXPANDING COOPERATIVES

HK301458 Kunming Yunnan Provincial Service in Mandarin 2300 GMT 29 Oct 84

[Excerpts] Four units, including the provincial Commerce Department, Industry and Commerce Bureau, Commodity Price Bureau, and Communications Department, recently issued the following joint circular on expanding the supply and marketing cooperatives' business in agricultural and sideline products:

- 1. It is necessary to enlarge the supply and marketing cooperatives' scope of business in agricultural and sideline products. Except for the normal business done by the supply and marketing cooperatives, business in other agricultural and sideline products, including agricultural and sideline products of the first, second, and third categories which are allowed to be sold on the market after the quotas for assigned procurement or for state monopolized procurement, such as grain, oil, pigs, beef cattle, mutton sheep, tea, sugar, medicinal herbs, livestock products, bamboo, timber, timber of collectives, and timber produced on peasants' private mountains, small articles, bamboo and wood products and semifinished bamboo and wood products of collectives, can be done by supply and marketing cooperatives in accordance with the provision of policies.
- 2. Supply and marketing cooperatives can do business in agricultural and sideline products out of the county and the province without restriction of administrative divisions. There is no limit to the volume of business. Industrial and commercial administrative departments at all levels and communications and transport departments must give assistance in the aspects of market management and transport.
- 3. Regarding the prices of agricultural and sideline products whose prices can be negotiated in accordance with the provisions of policies, supply and marketing cooperatives can fix the prices by themselves in light of the market situation and of economic trends.
- 4. Supply and marketing cooperatives can set up stalls and points and can run shops in urban areas to do business in agricultural and sideline products. They can set up agricultural and sideline product wholesale markets, trade centers, or trade stations in urban areas. Industrial and commercial administrative departments and communications and transport departments must give them vigorous support and assistance.

The circular points out: It is now the busy season for the procurement of agricultural and sideline products in our province. All places and departments concerned must carry out close coordination, must strengthen cooperation, must support each other, and must step up the work of procuring, distributing, and transporting agricultural and sideline products, must open up the market, and must promote sales. They must seriously help the peasants resolve difficulties in selling their agricultural and sideline products so as to promote the development of rural commodity production.

HEILONGJIANG ENTERPRISES TRANSFERRED TO CITIES

SK290632 Harbin Heilongjiang Provincial Service in Mandarin 1000 GMT 28 Oct 84

[Excerpts] On 26 October, the provincial CPC Committee and the provincial People's Government approved and disseminated the programs on restructuring and reforming the management system of the provincial-run industrial, communications, and building materials enterprises and decided to transfer the first group of 86 such enterprises to the pertinent cities and counties. The document of the provincial CPC Committee and the provincial People's Government points out:

- 1. Transferring the provincial-run enterprises to central cities for management is an important step for simplifying administrative procedures and delegating powers to lower levels. Achieving success in this work will help solve the existing problems in industrial management, such as the failure in separating government administration from enterprise management, the barriers between departments and regions at different levels, excessively centralized powers, and duplication of leadership and production. Achieving success in this work will also help get rid of the barriers between different regions and departments, develop various forms of integration and specialized cooperations, strengthen the vitality of enterprises, and raise economic results. CPC committees and people's governments at all levels and all economic leading departments must enhance the understanding and pay attention to this work.
- 2. Transferring the provincial-run enterprises to central cities for management is not being done simply to transfer management powers. Through the transfer, the current industrial management system should be changed, and the failure in separating government administration from enterprise management should be overcome so as to enliven enterprises. In the course of transferring the provincial-run enterprises to lower levels, we should conscientiously implement the State Council's 10-point regulations concerning the expansion of enterprises' decisionmaking powers and the regulations of the provincial CPC Committee and the provincial People's Government, and should truly transfer powers to enterprises instead of to administrative bureaus and companies. Inside enterprises, powers should also be transferred to sub-plants and workshops in order to give vitality to enterprises and fully mobilize the workers' enthusiasm in production.
- 3. The transfer of enterprises to lower levels should be conducted together with the restructuring, reorganization, integration, and technical transformations of enterprises in order to rationalize the industrial structure.
- 4. After transferring enterprises to lower levels, various provincial-level departments, bureaus, and companies should not wash their hands of the business of these enterprises. Through necessary economic mediation means, they should strengthen their guidance to various trades, and also strengthen control in mapping out the macroeconomic policy decisions.
- The transfer of enterprises to lower levels should be conducted in line with overall planning and arrangements, in a planned and step-by-step manner, and group after group at different times.
- 6. Simplifying the administrative procedures, delegating powers to lower levels, and transferring enterprises to lower levels will certainly promote the reform of economic management organizations at higher levels. The management function of the provincial-level departments, bureaus, and companies should be reformed accordingly. The document stresses: Transferring enterprises to lower levels is a characteristic work of strong policy. CPC committees, people's governments, and industrial and economic management departments at all levels should penetratingly conduct investigations and studies, learn from the experiences of other advanced provinces and units, and conscientiously solve the new problems arising in the work so as to sum up and accumulate experiences and seek roads to the comprehensive reform of the industrial management system.

GANSU DEVELOPS COLLECTIVE, INDIVIDUAL ECONOMIES

HK301416 Lanzhou Gansu Provincial Service in Mandarin 1100 CMT 29 Oct 84

[Text] Since the beginning of this year, various localities in our province, while upholding the leading position of the state-run economy, have further relaxed policies and actively helped the development of the collective and individual economy in the cities and rural areas. In various trades in the localities, in accordance with the principle of voluntary association, being responsible for one sown losses and profits, payment according to work done, and voluntary raising of funds, more than 200 new collective enterprises in cities and towns have been set up. Most of these enterprises are operated on the basis of local resources and conditions and conduct their operations by exploitation of natural resources, expanding products, and processing of spare parts and accessories, with the assistance of local enterprises under the provincial or city administration. Comparatively good economic results have been achieved. The township and town enterprises have also scored tremendous development under the favorable conditions of assistance rendered by the collectives and peasants in raising funds for development.

In Zhangye Prefecture, 87 township and town enterprises have gone into operation since the beginning of this year. In addition, with regard to the original township and town enterprises, measures have been adopted to strengthen operation and management and to conduct technological transformation. Thus, a network of township and town enterprises with relatively complete types of operations has been formed, comprising mining, building construction, processing of agricultural and sideline products, processing of fodder, and others. At present, family mining operations are on the increase in many places. Throughout the province a good upsurge has emerged in which the state, the collective, and the individual all go in for running enterprises.

SHAANXI IMPROVES COMMUNICATIONS, TRANSPORTATION

HK301104 Xian Shaanxi Provincial Service in Mandarin 1130 GMT 29 Oct 84

[Text] The party group of the Shaanxi Provincial Communications and Transport Department has eliminated leftist influences during the period of simultaneous rectification and correction of defects and has corrected its guiding ideology in professional work, thus promoting the vigorous development of this province's communications and transportation.

As soon as the simultaneous rectification and correction of defects started, the party group of the provincial Communications and Transport Department required that the guiding ideology of professional work should first be corrected with concentrated efforts so that the party's general tasks and targets can be achieved. While repeatedly organizing party members and the masses to study the relevant documents of the CPC Central Committee and the State Council, they also revised the plan for the development of communications and transportation by 1990.

As a result of setting right the guiding ideology in professional work, great changes have taken place in this province in the field of communications and transportation. In highway transportation, the monopoly of business has been ended and private transportation has been developing quickly. Figures show that at present, individual transport households already possess some 6,000 motor vehicles, which is an increase of 300 percent over last year. Since the beginning of this year, 46 bus lines have been opened, including lines between Xian and Nanyang of Henan Province, between Suide and Yinchuan [Ningxia], between Shenum and Nei Monggol's Dongsheng, and between Shiquan and Sichuan's Wanyuan. There are more than 60 bus teams running 8 times a day on these lines. Remarkable achievements have also been made in traffic safety work.

From January to September this year, the number of accidents dropped by 6.2 percent and economic losses were reduced by 34 percent over the corresponding period of last year. Up to September, 80 percent of the annual rotation volume of freight transport has been fulfilled, the rotation volume of passenger transport has increased by 18.3 percent over the same period last year, and 92.2 percent of the annual plan for total industrial output value has been fulfilled, which is an increase of 15 percent over the same period last year.

XINJIANG OFFICIAL DENIES WHEAT FLOUR PRICE RISE

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HK300643 Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 29 Oct 84

[Text] Recently there has been a rumor in the Urumqi area that the price of wheat flour would be raised. Today our reporter, Shen Yinjie interviewed (Aliman Abudu), deputy chief of the Urumqi Grain Bureau, by telephone. The latter definitely denied the rumor.

The reason the rumor started was that recently, in order to satisfy the increasing needs of the masses, the Urumqi flour mill produced a new variety of wheat flour to supply the market which is better in quality and, of course, higher in price -- 9 fen per kg higher than before. Some people took the new variety for the original No 81 flour and thought that the price had been raised. (Aliman Abudu) also told the reporter that the No 81 flour recently supplied looks black and below normal standard, because it was processed from old wheat stored for a longer time. When the flour processed from new wheat is supplied by the end of this month, the problem will no longer exist.

OFFICIAL ON BUSINESS DEALS CONCLUDED IN U.S.

OW301455 Taipei CNA in English 1406 GMT 30 Oct 84

[Text] Taipei, Oct 30 (CNA) -- The Republic of China's ninth "Buy American" mission has purchased an estimated US dlr. 571 million worth of U.S. goods during its 24-day tour across that nation, Vincent Siew, director general of the Board of Foreign Trade, reported Tuesday.

Of the amount, US dlr. 510 million was spent on farm produce, U.S. dlr 48 million on industrial goods, and the remaining US dlr. 13 million on consumer and sundry items, Siew elaborated. He added that the mission saved a lot of money in buying such bulk commodities as grains and corns because the deals were reached at a time when the prices of those goods were at their lowest ebb.

Siew also pointed out that the buying mission received cordial welcome from state governments and farmers organizations. American news media also gave prominent coverage of the mission's activities.

Siew further indicated that the buying mission not only helped reduce the ROC's trade surplus with the USA but also invited increased attention to our market from the U.S. business community. He revealed that 13 states on the U.S. West Coast and in the Mid-West areas will jointly stage a trade exhibition in Taipei next year to promote their sales here.

Moreover, industrial and business leaders from the two nations will meet in Taipei in early December on the promotion of further commercial ties, Siew added.

TRADE MISSION ATTENDS SEMINAR IN FRANCE

OW300315 Taipei CNA in English 0230 GMT 30 Oct 84

[Text] Paris, Oct 29 (CNA) -- The Republic of China [ROC] welcomes French industrialists to transfer their technologies to, make investments in and utilize Taiwan as a bastion to expand their trade in the Asian-Pacific region, John Ni, director of the Joint Industrial and Investment Service under the Ministry of Economic Affairs, said here Monday.

Some 100 French industrialists and business leaders attended a seminar on investment and trade with the ROC sponsored by the Committee for Economic and Industrial Cooperation between France and ROC under the French National Council of Entrepreneurs.

Presiding over the meeting, Pierre Aigrain, president of the committee, extended warm welcome to the visit of ROC's trade and investment mission led by Ni by calling on the French business community to further strengthen its ties of cooperation with the ROC in Taiwan. He said that he will personally lead a high-level French delegation to visit to ROC in November to look for trade and investment opportunities and discuss joint ventures for mutual benefits with the ROC business leaders.

Ni and his mission arrived here at the weekend after taking part in a series of seminars in Spain, Britain, West Germany, Ireland, Switzerland and Holland.

TAIWAN, MALAYSIA EXPAND ECONOMIC EXCHANGE

OW300555 Taipei CNA in English 0302 GMT 30 Oct 84

[Text] Taipei, Oct 29 (CNA) -- Relations between the Republic of China [ROC] and Malaysia have seen substantive improvements during the past couple of years.

One of the most evident signs of rapprochement between the two countries was that the Malaysian Government has recently permitted the Far East Trading and Tourism Center in Kuala Lumpur (FETTC), the ROC's non-government representative office in that Southeast Asian nation, to enlarge its economic section. The expansion was a result of increasing exchanges between the two sides, particularly in the economic area. According to government statistics, the ROC has doubled its trade with Malaysia since 1978, when the two countries first resumed commercial exchanges after the break of diplomatic ties in 1974.

Last year, such trade even reached the U.S. dollar 700 million level, making the ROC the eighth largest trading partner of Malaysia.

Similarly, the ROC's direct investment in Malaysia has also been expanding steadily over the last few years. From U.S. dollar 39 million in 1978, when Taiwan's capital first flowed into Malaysia, the figure grew to U.S. dollar 12.7 million in 1980 [figures as received]. At present, there are a total of 39 Taiwan-invested companies in Malaysia in operation. With a total paid-in capital of U.S. dollar 15 million, ROC funds account for a large portion of the total foreign investment in the resource-rich Malaysia.

In recognition of ROC's growing presence in Malaysia's economy, Mustaffa Drus, director of Friendship and Trade Exchange Center (FTEC), Malaysia's unofficial representation in Taipei, admitted in an interview: "Among the countries of the Far East, Taiwan, in addition to Japan and Hong Kong, has played a significant role in the development of industry in Malaysia."

The marked improvement in the Sino-Malaysian relations was spurred by several major factors, Gen Kung Ling-cheng, representative of the FETTC in Kuala Lumpur, indicated in his recent talks with a UNITED DAILY news correspondent in Malaysia. "First of all was a chill in Malaysia's relations with Communist China in recent years," Gen Kung said. "Malaysia is strongly anti-communist. It switched its diplomatic recognition to the Peiping regime in 1974 with the hope that Peiping would hereafter sever its ties with the banned communist guerrillas in Malaysia. Peiping has failed to keep its promise but continued material and spiritual support for them. Kuala Lumpur has thus gradually cooled its ties with Peiping and tried to resume cordial relations with Taipei."

"The ROC's dynamic economy has also contributed to the rapprochement between Taipei and Kuala Lumpur," Gen Kung continued. With vigorous growth, rising affluence and advanced industries, the ROC has emerged as a strong economic power in the west Pacific region and thus attracted increased attention and admiration from the Malaysian Government and its business community, Gen Kung said.

In the implementation of his well-publicized "look east" policy, Malaysian Prime Minister Mahathir bin Mohamed has at various occasions lauded the ROC for its stunning economic achievements, and expressed hope to increase commercial exchanges and technological cooperation with this nation, Gen Kung revealed.

Prime Minister Mahathir also urged Malaysian people to learn from the ROC's work ethics and its technological and management expertise to further develop Malaysia's industry and economy, Gen Kung added.

In March 1982, in response to the amity shown by the Malaysian authorities, Dr Chein Fu, then vice foreign minister, paid a visit to Malaysia, which has proved to be a turning point in the Sino-Malaysian relations, a Foreign Ministry official disclosed. The official, who asked not to be identified, said that during his visit, Dr Chien discussed with Malaysian officials a wide range of bilateral and international issues, including trade, investment, technological cooperation and cultural interflow.

In the talks, Dr Chien assured that the ROC would cooperate as much as possible in Malaysia's economic and social development projects. His visit laid the groundwork for the stepped-up substantive exchanges between the two nations, the official indicated.

Following Chien's trip, a steady stream of Malaysian trade and economic officials has visited here to gain a better understanding on ROC's current development plans and strategies. Trade and investment promotion groups from Malaysia's oil-rich states of Trengganu, Sabah, Sarawak, Hohore and many other major cities have also come to this island to tap business opportunities and seek joint-venture partners during the past two years. In last April alone, the ROC's representative office in Kuala Lumpur issued a record number of 25,000 visas for Malaysian citizens to visit Free China.

To show its friendship and to cultivate more commercial ties, the Malaysian Chamber of Commerce has recently invited the China External Trade Development Council [CETDC] to organize a mission to take part in a large-scale trade fair to be held in Kuala Lumpur next April. This is the first time in recent years that the ROC is invited to join the 12-nation East Asian Regional Trade Exhibition. "This is a good opportunity for our manufacturers to enter the vast markets in Malaysia and other Southeast Asian nations," a CETDC official said.

The official, who just returned here from a trade promotion tour in Malaysia and Indonesia, further pointed out that there is great potential for the development of bilateral economic and technological cooperation between the NOC and Malaysia. He particularly cited energy development, textile-related, timer- and information-based industries, and the improvement of existing firms as the areas where the ROC could cooperate with Malaysia. He also predicted that Malaysia may match Indonesia as the biggest markets for Taiwan-made machinery and whole-plant equipment in the next few years.

On the prospect of substantive Sino-Malaysian relations, a ranking Foreign Ministry official showed high confidence and otpimism. The official indicated that ROC and Malaysia have much in common. They are geographically close, and both stand for the same democratic values and against communism. "Through mutual understanding, we certainly can forge even closer ties with that ASEAN member nation," the official said confidently.

NAURU PRESIDENT ARRIVES ON PRIVATE VISIT

OW302345 Taipei International Service in English 0100 GMT 30 Oct 84

[Text] President Hammer De Roburt of the Republic of Nauru arrived in Taipei yesterday afternoon for a 2-day visit. The Taipei visit is only a step of President De Roburt's private tour of Southeast Asia. He has visited Singapore before coming here and is scheduled to leave for the Philippines on Tuesday.

C H I N A HONG KONG MEDIA ON CHINA

TAIWAN CONSULTS HONG KONG RESIDENTS ABOUT MOVING

HK260514 Hong Kong HONG KONG STANDARD in English 26 Oct 84 p 5

["Special report" by Tim Hamlett, Ivan Lo, Tsang Shuk-wa, Kathy Chan, and K.T. Chan: "Rightists Prepare To Pack Bags for Taiwan"]

[Text] The Taiwan Government has informally consulted rightists in Hong Kong about their intentions of moving to the island after the colony is returned to China.

This was revealed by Mr Lee Shing-chu, the chief secretary of the Hong Kong and Kowloon Trades Union Council [TUC], an organisation that embodies 81 trade unions from various fields but sharing a pro-Taiwanese political viewpoint.

Mr Lee pointed out that it was a common misconception to think of the TUC as an official Taiwanese agency in Hong Kong. The TUC is an independent organization -- a member union of the ICFTU -- and its source of income does not come from the Taiwan Government, he said.

The TUC had contacted Taiwan's Federation of Trade Unions and obtained information on working conditions there, as well as on whether their professional qualifications would be recognised.

The Taiwan Government had also informally asked Mr Lee about local people's attitude to moving to Taiwan. It is almost impossible to estimate how many Hong Kong inhabitants will consider migrating to Taiwan to flee the "1997 jitters", said Lee. Even the 40,000 members of the union and their 110,000 family members or relatives would not all take this option, though they would be welcomed by the Taiwan Government.

The Taiwan prime minister has recently stated in the Legislative Yuan that the government, for anti-communist and humanitarian reasons, will admit any Hong Kong inhabitant fleeing to Taiwan. The Taiwan Government has estimated that the flight of capital from Hong Kong would top US\$30 billion (about \$234 billion) between now and 1997. However, Mr Lee dismissed speculation that the Taiwan Government had already arranged for large-scale resettlement. "Even if it had, it would not be wise to publicise it at this stage when we have not got the faintest idea how many people will choose Taiwan," said Lee. A mass exodus to Taiwan would certainly impose tremendous pressure on every social aspect of the tiny island, such as education, housing and employment. The qualifications of professionals to work in the island had to be considered seriously also. "It is impossible for the Taiwan Government to make any announcement in the current situation to woo migrants. All we and the state can do is to feel each other out, just as two people do when they fall in love," Mr Lee said.

There was no point in Taiwan investors here moving their businesses out of Hong Kong before the approach of 1997. They will, in fact, strengthen their liaison here to get a clearer picture of the real situation, said Mr Lee.

Mr Lee himself will not consider leaving Hong Kong until a few years after 1997 if the situation then is really intolerable. He thought the idea of "one country, two systems" could not be realised if it covered only economic aspects and not political ones. "What is the difference from imprisonment if you are given the material to live on, but no freedom to leave?" he said. He did not deny the existence of the fear of being purged after the communist takeover. "If everything can be kept unchanged, most people will not want to leave this paradise. But if that is not the case, it doesn't matter much whether you have a political standpoint," he said.

An informal Taiwan-Hong Kong liaison group has also been set up to prepare for the evacuation of local rightists between now and 1997. The Chinese Culture Association, a well-known Taiwan agency here, has been assigned the job of contacting local rightist cultural figures, educationists, journalists and entertainers and help them migrate to Taiwan. Sources close to the Taiwan Government revealed that the group had been set up out of anxiety that China might interfere with the internal affairs of Hong Kong in the coming three to five years. Registration for migration of these four groups of professionals is expected to begin soon, but it is believed they will stay as long as the situation in Hong Kong remains stable.

Another office set up by Taiwan's Overseas Chinese Committee is due to start operations next month. It will deal with the registration for migration of local Chinese other than those four groups of professionals, including investors and workers. Currently, applications to invest in Taiwan are handled by Far East Trade Incorporated, an unofficial Taiwan trade agent in Hong Kong. The travel documents or migration requests of ordinary people are processed by the Chinese Overseas Travel and Transport Service.

The director of Far East Trade Incorporated, Mr Richard Tsing, estimated that about two percent of Hong Kong's population at the most was considering a move to Taiwan. "Taiwan could accommodate up to 500,000 people from Hong Kong, or 10 percent of the population, because the eastern part of the island is not developed yet," he said. These arrangements were made after Taiwan publicly denounced the validity of the Sino-British joint declaration and issued an open invitation to all Chinese nationals in Hong Kong.

The secretary of the Chinese Culture Association, Mr Ma Hak-lin, said all Taiwan organisation and pro-Taiwan people in Hong Kong would leave once the red flag was hoisted, but the Taiwan Government would use peaceful methods to resolve the Hong Kong problem, so as not to hurt Hong Kong's prosperity and stability.

SHELVING OF TAIWAN FREE TRADE ZONE EXAMINED

HK260516 Hong Kong HONG KONG STANDARD in English 26 Oct 84 p 5

[Text] Taiwan has shelved plans to set up a free trade zone although it still hopes to benefit from a fight of capital from Hong Kong.

The head of Far East College, Mr Lai Kar-chiu, said the reasons were political. The temporary suspension was due to fears that communists from China might make use of the zone and threaten the security of Taiwan, according to Lai. Another reason was the Taiwan Government's reluctance to lift its strict controls on foreign exchange and immigration, because of fears that this might jeopardize the stability of Taiwan's controlled economy be allowing "hot money" to flow in and out freely.

The Taiwan Government would, instead, relax the rigid economic controls in its three "export processing zones" by, for example, lifting restrictions on the sale of products manufactured in the zones on the home market.

Despite the sudden shelving of this project, Mr Lai said the Taiwan Government had been announced a new package of arrangements for handling investment applications by Hong Kong residents. The procedures and requirements on investing in Taiwan have been relaxed. Investors wishing to open non-restricted business in Taiwan are entitled to a reply to their applications within three working days. Those who are eager to remit investment capital or transfer machinery, equipment or materials to Taiwan, can first apply for investment permission before they conduct formal application procedures.

Used machinery with another five-year life can be imported to Taiwan as long as the owner obtains an official certificate that the machines belong to "loyal" Overseas Chinese and are for use in their plants. These new measures add to the incentive for a number of local investors who are planning to remove their capital to Taiwan, and statistics show that there has been a substantial increase in the amount of Hong Kong capital moving to that country.

There were altogether 19 applications for investment in Taiwan in the first eight months of this year, and the value involved totalled US\$11 million (about \$85.5 million), almost double the amount in the same period last year, which was US\$5.7 million (about \$44.5 million).

Migrating Hong Kong investors are mainly in three types of industry -- textiles, building and transport. There are 38 textile factories set up by Hong Kong people in Taiwan with investment amounting to US\$30 million (\$234 million), 76 building companies and 35 transport firms, with investment amounting to US\$55 million (\$429 million) and US\$29 million (\$226.2 million) respectively.

With the increasing urgency of the Hong Kong problem, the Taiwan Ministry of Economic Affairs has established a Joint Industrial Investment Centre to consolidate and streamline administration procedures for foreign investment. Another scheme was to establish a Free Trade Zone, or virtually another Hong Kong, which would allow free flow of people, cargo and money. This scheme was a development of the successful export processing zones at Kaohsiung, Nantze and Taichung, which allow the duty-free import of raw materials and components.

Meanwhile, Taiwan's direct investment in Hong Kong is, in reverse, insignificant because of the nationalist island's restrictive foreign exchange control policy. Taiwan firms are only active in the wholesale and retail sector and the shipping industry. They could easily find a substitute market in Asia if their investments here were jeopardised, according to Mr Richard Tsing, the Director of Far East Trade Incorporated.

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